

**DEPARTMENT OF JOBS, ENTERPRISE  
AND INNOVATION**

**BRIEF FOR MINISTER**

**July 2014**

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## *Section One ~ Overview of Department and Current Priorities*

### **1.1 Key Priorities for the Department**

#### Action Plan for Jobs

In light of the critical importance of job creation and retention to a sustainable national recovery, a central priority for the Department is the focus on delivery and implementation of the measures contained in the Action Plan for Jobs (APJ) for 2014. The APJ is the main cross-Government instrument for driving reforms and initiatives to boost employment and Ireland's capacity to attract and maintain good quality jobs as the engine of economic recovery.

The immediate priorities in this context are:

- Progress the implementation of the Action Plan for Jobs 2014 with the D/Taoiseach and liaison with industry partners
- Co-ordinate across the Government the development of the Action Plan for Jobs 2015, including stakeholder consultation and identification of disruptive reforms.

#### Programme for Government - "Government for National Recovery 2011 – 2016"

The Programme for Government contains a significant number of important policy and legislative initiatives for which this Department has responsibility.

On the Economy, the Department is involved, directly or indirectly, in advancing a range of issues, including supporting job creation, as set out in the Programme including:

- Credit Supply to Business;
- Maximising the Employment potential of the Financial Services sector;
- Compliance with and Enforcement of Company Law;
- Increasing Exports;
- Driving Innovation and Commercialisation of ideas and technologies;
- Maximising Ireland's drawdown of EU research funding;
- Maximising the potential of Intellectual Property;
- Optimising the R&D Tax Credit Regime;
- Maximising Public Procurement opportunities for SMEs;
- Reducing the Regulatory Burden;

- Streamlining Regulatory Enforcement on SME's;
- Developing a new system for Restructuring Commercial Debt;
- €100m Micro Finance Start-Up fund;
- Enhancing Competition and addressing Unfair Trading Practices;
- Promoting International Education as a services export;
- Exploiting the potential for Green Jobs;
- Supporting the New European Research Area jobs & growth initiative.

Under the Reform agenda, the Department has been engaged in advancing a number of important initiatives including:

- Repositioning local enterprise and job support functions into the Local Authorities;
- Strengthening Corporate Governance Legislation and Enforcement;

Under the Fairness agenda the Department has a strategic interest in a number of initiatives including:

- Mediation as an alternative to Court Proceedings;
- Regulation of the Legal Profession;
- Addressing Collective Bargaining Issues;
- Regulation of Stem Cell Research;
- Bonus Points for Maths & Science;

In the section on Progress in the Programme for Government the Department has a particular interest in supporting the:

- Promotion of Ireland overseas through the Ambassadors;
- The Role of the North / South Implementation Bodies;
- Independent Audit of the Transposition of EU Directives;
- The Climate Change Bill;
- Rationalisation of the Regulators;
- Updating Intellectual Property Legislation.

## 1.2 The Department

The Department of Jobs, Enterprise and Innovation's mission, as set out in our Statement of Strategy 2011-2014, is to support the creation of good jobs by promoting the development of a competitive business environment in which enterprises will operate to high standards and grow in sustainable markets. A new Strategy Statement will now be required by the end of this year under the Public Service Management Act 1997 and, in that context, the Department's mission statement will fall to be considered and will reflect the Government's and the Minister's priorities.

The Department plays a key role in implementing the Government's policies of stimulating the productive capacity of the economy and creating an environment which supports job-creation. The Department also has a remit to ensure fair competition in the marketplace, protect consumers and safeguard workers. Through its agencies and Offices, the Department's remit covers a wide range of activity including:

- attracting foreign direct investment,
- facilitating the start-up and growth of indigenous enterprises,
- increasing exports,
- improving competitiveness,
- promoting innovation and growth through investment in research and development,
- promoting fair competition for businesses and consumers,
- upholding company law,
- safeguarding the rights of workers, including their entitlement to occupational safety and health, and
- facilitating a positive industrial relations environment.
- evidence based policy, informed by research, analysis and a robust evaluations culture
- identifying the future skills needs of enterprise (enhancing the product offering to attract FDI, facilitate investment and job creation by indigenous businesses and improving Ireland's competitiveness, innovation and productivity).

The Department is currently comprised of five Divisions, as follows:

- Corporate Services, EU Affairs and Trade Policy

- Commerce, Consumers & Competition
- Innovation & Investment
- Competitiveness & Jobs
- Labour Affairs

Following the imminent integration of Forfás into the Department, which is scheduled to take place formally during July 2014 upon the signing of the relevant Orders under the Industrial Development (Forfás Dissolution) Act 2014, it is proposed that the Department will have a new seven Division structure, as follows:

- Corporate Services & EU Affairs
- Labour Affairs
- Commerce, Consumers & Competition
- Science, Technology & Innovation and Intellectual Property
- Indigenous Enterprise Development
- Inward Investment & Enterprise Initiatives
- Strategic Policy

### **1.3 Management Board**

The Department's Management Board currently comprises the Secretary General, five Assistant Secretaries and the Chief Executive of Forfás. Following the integration of Forfás, the Management Board will comprise the Secretary General, six Assistant Secretaries, and a vacancy. Management Board is also attended by the Principal Officer in the Management Support Unit.

The Management Board meets weekly, usually on Tuesday mornings.

In addition, Ministerial Management Board meetings, chaired by the Minister with Ministers of State and top management attending, have recently been held approximately once each month or six weeks.

The Ministerial and Top Management team is outlined at Annex 1 to this Section of the Brief.

#### 1.4 Overview of Department Structure

The Department (including its Offices) currently has 839 staff serving in 788 posts and has its main presence across three Offices in Dublin – Kildare Street, Earlsfort Centre and Davitt House on Adelaide Road. In addition, Departmental staff are located in Kilkenny (Patents Office) and Carlow (part of the CRO and NERA). Staff are also serving in Parnell Square, Dublin (CRO, ODCE and Competition Authority), in Tom Johnson House, Haddington Road, Dublin (Labour Court and Labour Relations Commission), as part of the staff of the National Consumer Agency and in our regional presence for NERA in Dublin, Cork, Shannon and Sligo.

There are a number of Offices which are integral parts of the Department which we staff, which are identified as distinct Offices of the Department for customer benefit, e.g. the Companies Registration Office, the Office of the Director of Corporate Enforcement, the Patents Office and so. In addition, the Department is supported in its work by a number of executive State Agencies which have their own Boards and CEOs such as Enterprise Ireland, the Health & Safety Authority, etc. A full list of Offices and Agencies is at Appendix II.

Finally, consequent on the Minister's decision to dissolve Forfás and transfer its key policy development and advisory functions to the Department itself, a restructuring of the Department will see it move from 5 to 7 Divisions with the addition of some 60 posts from Forfás.

#### 1.5 Departmental Estimate

The total Gross Allocation for the Department for 2014 is €781 million. This includes the Department, its Offices and its Agencies and is allocated as follows:

	<i>2014 Budget Allocation €000</i>	<i>2013 Outturn €000</i>	<i>Difference €000</i>
<b>Exchequer Current</b>	339,022	337,634	+1,388
<b>Exchequer Capital</b>	442,000	429,261	+12,739
<b>Total Budget (Gross)</b>	781,022	766,895	<b>+14,127</b>

In addition sanction was received for the carryover of €23million of unspent 2013 capital allocation into 2014 giving a total exchequer provision for DJEI for 2014 of €804m.

The gross allocation for 2014 of €781m this year is allocated broadly as follows:

- €206.5m on payroll (pay and pensions) costs for the Department, its Offices and Agencies with end-2014 Employment control Frame staff targets for the Department and Offices of 767 and for the Agencies of 1,653.
- €132.5m on programme expenditure (e.g. trade promotion, advertising, inward buyer visits etc) targeted at growing the economy and maintaining and developing employment therein while regulating markets and ensuring fair competition and retaining an effective and efficient labour relations capability.
- €442m on capital expenditure (mainly enterprise & research grants).

(The Department funds and staffs 9 Offices. These are the Labour Court, the Employment Appeals Tribunal, the Labour Relations Commission, the National Employment Rights Authority, the Equality Tribunal, the Office of the Director of Corporate Enforcement, the Patents Office, the Companies Registration Office, the Office of the Registrar of Friendly Societies

The Department also funds in large part 13 Agencies (counting as one the 35 Local Enterprise Offices). Our Agencies comprise the Health and Safety Authority, Science Foundation Ireland, Enterprise Ireland, IDA Ireland, Shannon Development, Forfás, the National Consumer Agency, National Standards Authority of Ireland, InterTradeIreland, the Personal Injuries Assessment Board, the Competition Authority and the Irish Auditing and Accounting Supervisory Authority).

In addition to Exchequer funding, several of the Department's Agencies most notably IDA Ireland and Enterprise Ireland generate Own Resource Income (ORI), which supplements Exchequer expenditure.



In the case of the Irish Auditing & Accounting Supervisory Authority (IAASA) and the Financial Information functions of the National Consumer Agency (NCA), funding is generated by means of a levy on the regulated industries.

In relation to the Personal Injuries Assessment Board (PIAB), it has been a self-funding agency for a number of years following the initial provision of start-up funding from the Exchequer and relies on income generated primarily from respondents to fund its activities.

### **Current Expenditure**

In the area of current expenditure, the Department's 2014 allocation represents a decrease of over €19m on its 2013 allocation. Overall in the period covered by the 2011 Comprehensive Spending Review (i.e. from 2011 – 2014), the Department's current expenditure ceiling has reduced from €393m in 2011 to €339m in 2014 i.e. a significant saving of €54m in the period. The majority of non-pay current expenditure is directed towards those areas of activity which will directly support the overall growth strategy particularly in the areas of job creation, the attraction of FDI, developing new export opportunities and supporting research, development and innovation. For example, two of the biggest areas of non-pay current expenditure in 2014 will be:

- EI - €76.2m (Grant for Administration and General Expenses)
- IDA - €38.6m (Grant for Administration and General Expenses).

The savings of €19m in the current year have only been achieved following protracted discussions with all the agencies and the shaving/paring of all aspects of non-pay activity.

### **Capital Expenditure:**

In the area of capital expenditure, the Department's 2014 allocation represents a decrease of over €12.5m on its 2013 allocation. Overall in the period since 2011, the Department's capital expenditure ceiling has reduced from €508m in 2011 to €442m in 2014 i.e. a reduction of €66m in the period. The top three areas of capital expenditure in 2014 accounting for almost 90% of the allocation of €442m will be

- STI (Science, Technology & Innovation) € 258m

- IDA €89m and
- EI €49m

The reductions in the Department's capital ceilings have in part been offset to some degree by sanctions received in recent years to carryover certain amounts of unspent capital allocations in a particular year for use in the following year. For example the 2014 capital envelope of €442m has been increased by the carrying over of €23m in 2013 unspent capital allocation for use in 2014.

### **Administration**

Departmental administration costs essentially relate to the pay and non-pay costs of the Departmental business units whose work supports and spans the 3 Programme Expenditure areas. The Administrative Budget in 2014 totals just over €29m (*Pay €19.9m, Non-Pay €9.29m*) which may appear as a significant increase over the provisional 2013 outturn of €27.74m.

It is the case, however, that the Department's 2014 Non Pay Administration allocation reflects 3 key changes over the 2013 allocation, namely

- the transfer of administrative costs associated with the integration of Forfás into the Department (*€2.5m of Non-Pay costs*);
- the transfer of the Research allocation (*€220k*) from the former Subhead C15 into the Admin "Consultancy & Value for Money & Policy Reviews" sub-line A (vii); and
- the removal of 2013 EU Presidency costs (*a €2.3m Pay & Non-Pay*) from the Vote.

Accordingly, therefore, it will be seen that when these factors are taken into account, the administration costs of running the Department continue to reduce.

### **Brief Overview of DJEI Programme Expenditure Areas**

The Department's objectives are pursued and delivered through three key Programme Areas linked to the Department's Statement of Strategy. These Programme Areas are

- **A-Jobs and Enterprise Development**

- **B –Innovation**
- **C - Regulation**

The 2014 Rev allocated the following expenditure in respect of the Department’s programmes:

Programme Area	2014 Estimate		
	Current	Capital	Total
	€000	€000	€000
<b>JOBS &amp; ENTERPRISE DEVELOPMENT</b>	193,295	167,200	360,555
<b>INNOVATION</b>	65,627	274,740	340,367
<b>REGULATION</b>	80,100	0	80,100
<b>Gross Total: -</b>	<b>339,022</b>	<b>442,000</b>	<b>781,022</b>
<b>APPROPRIATIONS-IN-AID ....</b>	47,448	1,500	48,948
<b>Net Total:-</b>	<b>291,574</b>	<b>440,500</b>	<b>732,074</b>

*Programme A – Jobs and Enterprise Development*

The primary objective of this Programme Area is to maximise sustainable job creation across the enterprise base to make Ireland the best small country to do business in by 2016. The Department aims to position Ireland as a competitive, innovation-driven location in which to do business, to promote entrepreneurship, to develop a strong indigenous enterprise base, to target future inward investment and to grow exports in existing and fast-growing markets.

This Programme Area covers the “Jobs Action Plan”, as well as activities carried out by specific policy areas of the Department, Forfás, IDA Ireland, Enterprise Ireland, Shannon Development, the Local Enterprise Offices (LEOs), the National Standards Authority of Ireland and InterTrade Ireland.

Funding is also provided to assist North-South measures via the Enterprise Development strand of the cross-border INTERREG programme and for monitoring and evaluation of EU programmes under this heading.

***Programme B – Investing in Science, Technology and Innovation***

The primary objective of this programme is to foster and embed a world class innovation system that underpins enterprise development and drives commercialisation of research to build national competitive advantage across the economy. Funding is provided for strategic investments in research, development and innovation and the development of human capital. This investment is serving as key driver for growth, and the creation and maintenance of sustainable employment into the future.

While the National Research Prioritisation exercise represents an effective settled policy to maximise the effectiveness and impact of publicly funded research and innovation, the question of a more broadly based innovation strategy (i.e. the successor to the “*Strategy for Science, Technology and Innovation*” which ran from 2006 – 13) is one that is being considered. As the economic situation changed over that period, the Government’s focus turned to accelerating the economic and societal return on our STI investment and Research Prioritisation - this is seeing the targeting of the majority of public investment at areas where we are most likely to get economic and societal impact, particularly in the form of jobs, and has been implemented since mid-2012.

While Research Prioritisation will remain a key pillar of our strategy, the opportunity arises now to place it in context of a broader SSTI and work has been initiated on a new SSTI which is envisaged for delivery in 2015. The new strategy would support a competitive and productive research base that is closely aligned with enterprise needs and a magnet for foreign direct investment (FDI). It would reinforce growth through research and innovation in enterprise, improve Ireland’s competitiveness and enhance our capacity to develop innovative products and services, assisting exports and employment growth.

The Department is concentrating on enhancing the efficiency and focus of the funding for Science, Technology and Innovation (STI) and on ensuring an optimum economic and social return from the investment. The Research prioritisation exercise completed

in 2012 identified the niche areas of greatest potential and the opportunities for enterprise collaboration, while the main STI funding Agencies, Enterprise Ireland and Science Foundation Ireland, continue to prioritise their programmes to deliver on job creation and to achieve Value for Money.

The Department's activities under Programme Area B (STI) are delivered by Science Foundation Ireland, Enterprise Ireland, the Patents Office, the Higher Education Authority and IDA Ireland (albeit through its funding under Programme A).

Funding under this programme area also covers Ireland's memberships of various international research organisations such as the European Space Agency, European Molecular Biology Laboratory, European Molecular Biology Conference, European Cooperation in Science and Technology (COST), and Eureka.

### ***Programme C – Regulation***

The primary objective of this Programme is to ensure that the business regulatory system and dispute resolution mechanisms facilitate fair, efficient and competitive markets, for businesses, employees and consumers to make Ireland the best small country to do business in by 2016. The Department aims to make markets, including the labour markets, work more efficiently through smart regulation which encourages innovation, keen competition, high standards of compliance and consumer protection but without unnecessary regulatory cost.

The Department has a number of Offices and Agencies with regulatory remits namely:

*Companies Registration Office (CRO),*

*Competition Authority*

*Employment Appeals Tribunal (EAT),*

*Equality Tribunal (ET),*

*Health and Safety Authority (HSA)*

*Irish Auditing and Accounting Supervisory Authority (IAASA),*

*Labour Court,*

*Labour Relations Commission (LRC),*

*Legal Metrology Unit of the NSAI.*

*National Employment Rights Authority (NERA),  
National Consumer Agency (NCA),  
Office of the Director of Corporate Enforcement (ODCE),  
Patents Office  
Registry of Friendly Societies (RFS),*

The Department also undertakes regulatory functions itself including export licensing and employment permits.

The activities of the High-Level Group on Business Regulation, the Company Law Review Group and the Sales Law Review Group are also included under this Programme area.

***Immediate Issues – July 2014***

The Minister has been invited by the Joint Committee on Jobs, Enterprise and Innovation to provide a mid-year review of the position in relation to the Department's Vote. The Committee has invited the Minister to appear before it on the 22nd July 2014. The Committee has requested the Minister to provide output related data together with details of actual expenditure to end June 2014. The Committee is also seeking 2013 data (output, performance and financial) to enable it to compare the 2014 estimates with the actual position in the previous year. The Committee has advised that notwithstanding that Ministers and Departments may only now be commencing the 2015 estimates campaign, it is also anxious to discuss the Department's proposals for 2015.

It is understood that Budget 2015 is due to take place on 14<sup>th</sup> October 2014. In advance of the budget Government will have given consideration to the menu of options deriving from the Comprehensive Reviews of both Current and Capital Expenditure (details of which are set out in Part 4 of the brief) which are currently underway. The Comprehensive Expenditure Report 2015 and a new Medium Term Capital Investment Framework 2016-2020 will be published at that time as part of Budget 2015.

The Minister will be expected to present the Department's Estimate to the Enterprise Select Committee following the publication of the 2015 Revised Estimates Volume.

## **1.6 Key Strategic Issues currently being considered by the Department**

Many of the issues in the Programme for Government support and drive the strategic priorities which a Department with responsibility for enterprise, workplace relations, innovation, the broad business regulatory framework and competitiveness will inevitably be expected to lead on. Examples of some of these key strategic priorities and challenges facing the Department are as follows:

### *Maximising job creation / retention from inward investment*

- Supporting the 12.5% Corporation Tax rate while building a sustainable tax environment supportive of enterprise and job creation.
- Securing the capital budgets and human resources to enable the Enterprise Agencies (IDA, EI, SFI) to deliver investment, export and jobs targets.
- Maximising Ireland's drawdown of EU Research funding (including €1.25bn targeted under Horizon 2020) and building on the industry-relevant science base to ensure economic and jobs dividends from that investment through FDI, industry collaboration and direct commercial outputs.
- Enhancing the product offering to inward investors through excellent personalised client support and a balanced legislative / regulatory framework for business generally, including a balanced approach to the issue of collective bargaining rights and employee representation.
- Advocating for wider government commitment and delivery on enhancing Ireland's attractiveness for inward investment in an internationally competitive environment to include e.g., a focus on Talent, in terms of developing our own and attracting mobile talent; place-making with a focus on city regions; and connected world leading research; and new approaches to developing sectoral ecosystems
- Considering new modes of FDI (while ensuring positive economic impact) including, e.g. Mergers and Acquisitions, Sovereign Wealth Funds etc.

### Developing Enterprise Policy

- Develop a longer term enterprise policy that will set out the strategic framework for enterprise development and supporting policies through to 2025; and the priority actions required to address barriers to growth in the immediate term and to put in place the enablers to accelerate growth.

### Competitiveness

- Achieving a sustained improvement in competitiveness towards the Government's objective of a top 5 position by 2016 and supporting the National Competitiveness Council through benchmarking Ireland's performance and highlighting the key policy issues required to enhance our performance.

### Tax and Finance

- Continuing to monitor international tax developments, engaging with the Department of Finance and developing and co-ordinating positions on tax policies with the development agencies

### Maximising job creation / retention from indigenous enterprise, especially SME's

- Tackling liquidity and access to finance issues
- Driving effective implementation of LEOs and ensuring wider engagement with small and medium enterprises, and a coordinated approach to delivering high quality services (and/or access to appropriate services).
- Driving continuing Export Growth and exploiting potential of key emerging markets, including through the Trade Mission Programme for 2014 and beyond, while ensuring Ireland's interests are fully reflected in international trade negotiations, especially the Transatlantic Trade and Investment Partnership (TTIP).
- Supporting the transformation and growth of the manufacturing sector.
- Strengthening Ireland's mentor community to facilitate a range of service offerings through from delivering integrated, structured approaches delivered to facilitating 'light touch' peer-to-peer, office hours, volunteer initiatives
- Strengthening Irish owned firms' abilities to internationalise and expand their global footprint, while optimising the economic return to Ireland and balancing the export-led growth priorities.



- Reviewing the economic impact (direct and indirect) of an export-led policy over the years to 2020 and beyond in the context of changing enterprise structure, global business models and value chains, increasing mobility of talent and investment from Irish owned firms (including sectoral analysis)

*Maximising job creation/retention through a competitive business environment*

- Continuing to lead on the national and EU competitiveness agenda through advocacy in domestic fora and EU Councils and Working Groups, analysis, policy formulation and working with the European Commission, Member States, and domestic stakeholders including the National Competitiveness Council.
- Ensuring that the concerns of Irish business are reflected in emerging policy proposals, e.g. Climate Change commitments, and by tackling existing administrative burdens caused by regulation and legislation.
- Ensuring that a level playing field is maintained for responsible employers by legislating for and enforcing employment rights, in a way that balances employer flexibility and the rights of workers to decent and safe conditions.
- Reform and modernisation of the Workplace Relations bodies, including enactment of the Workplace Relations bill to ensure effective and modern system for dealing with rights and interests within the employee/employer environment.
- Modernisation and reform of the Employment Permit system including enactment of the Employment permits Bill, to ensure skills in critical short supply can be secured and the labour market is protected.
- Securing a good industrial relations environment through progressing new collective bargaining proposals acceptable to employer and employee representatives and the Government and re-establishing a constitutionally robust framework in place of the REA system found unconstitutional by the Supreme Court.
- Putting in place the institutional arrangements that will fully harness the power of strong competition and consumer empowerment to drive competitiveness across the economy, including in sheltered and non-traded sectors.
- Developing and co-ordinating Departmental policy on cross-agency policies on infrastructures and market reforms, e.g., energy, water, waste and telecommunications.

Positioning the Department to maximise its contribution to job creation / retention

- Building the capacity of the Department and its Agencies and Offices to meet the current and evolving challenges, including management of staffing reductions and the loss of corporate memory.
- Driving productivity improvements through business process improvement, maximising the use of ICT Resources and streamlining Offices, including the new simplified two-tier structure proposed by the Workplace Relations Bill.

**1.7 Headline Targets of Departmental Policy:**

The following summarises some of the headline targets or outputs / outcomes our policies are designed to achieve:

**FDI (to the period 2015):**

- 150,000 new jobs (75,000 direct jobs).
- 780 new Greenfield or Expansion Investments.
- 50% of new FDI projects to be located outside of Dublin and Cork.
- 20% of Greenfield investments from emerging high-growth markets.
- €1.7 billion investment in RD&I per annum by IDA client companies.

**Indigenous Exporting Companies (for the period 2014 to 2016):**

The EI strategy targets for 2014 to 2016 are

- the creation of 40,000 new jobs,
- €4bn of additional exports
- establishment of 500 start-ups.
  
- To secure €17 billion in export sales.
- To increase Non-Food exports by 30%.
- To increase the number of *new jobs* directly associated with exporting enterprises in manufacturing and internationally trading services by 60,000, with a further 60,000 new indirect jobs.
- Increase share of Non-Food exports to countries outside the UK, from 57% to 63%

**Enabling, through Enterprise Ireland, Irish companies develop competitive advantages through innovation;**

- Generate 100 new companies with high potential in 2014.
- Greater collaboration between industry and third level institutions with a target of 825 for 2014.
- Increase in the number of industry led Technology Centres from 14 to 16 in 2014 including in the specific, strategically important industry sectors of Connected Health and Dairy Technology.
- Enhance the opportunities for commercialisation to ensure that the best use is made of research with commercial and market potential including through the recently established Knowledge Transfer Ireland as a national resource to encourage and facilitate more industry-research base interaction.

**Science:**

- Retain and improve the excellent industry-facing science base built up over the last decade.
- Strengthen and increase the collaborative links with industry partners – SFI awards directly support over 900 collaborations with industry and Enterprise Ireland support over 800 industry-academic collaborations.
- Support seven new world class Research Centres working directly with over 150 industry partners and supporting 800 researchers and 15 market focussed Technology Centres with over 300 industry partners.
- Through the SFI Discover Programme careers information on science, technology, engineering and maths (STEM) is provided to students, parents, teachers and careers guidance counsellors to ensure a flow of STEM skills to meet the future skills needs of employers.
- Promotion of innovation and growth through investment in, and commercialisation of, research and development; and through effective use of regulation, competition and procurement policies

### **Increasing Investment in R&D and reaching our Research Intensity Target**

- An increase in DJEI capital budgets to support Science, Technology & Innovation will be necessary to keep Ireland at the cutting edge of the knowledge economy. Recent years have seen an over reliance on capital carryover to minimise the impact of budget cuts but as capital savings are unlikely to arise in future years there is a significant challenge in sustaining STI budgets which drives innovation within Irish firms and creates sustainable jobs.
- Broader public investment in R&D across all research funders in particular Higher Education must now see an upward trajectory between 2015 and 2020 if the research intensity target, under EUROPE 2020 (2.5% of GNP or 2% of GDP by 2020), is to be reached - this is particularly so as the economy recovers and GDP/GNP continue to rise.

### **Chemicals Industry and Workplace Health & Safety**

- The fatality rate in the Construction sector has been brought down to a rate of 7 fatalities per 100,000 employed in the sector. The prospects for recovery threaten to put these positive trends under pressure. We will continue to work to eliminate fatalities and serious injury to workers in high risk sectors such as Construction, Agriculture and Fisheries in the context of expected sectoral upturns and to minimise the costs (human and financial) of accidents in the workplace.
- The importance of chemicals and their appropriate regulation for FDI and Indigenous Enterprises requires the proactive development of synergies across chemical and industrial policy to support job creation and export targets. Research undertaken for DJEI on the impact of the potential EU-US TTIP agreement has identified the most significant impacts for Ireland arising through the removal of Non-Tariff Barriers (NTBs) affecting the Pharma-Chemical sector resulting in an increase in exports of €2.7 billion.

#### **Strategic priorities in light of the above include:**

- Boosting Ireland's representative capacity on the European Chemicals Agency (ECHA) in the context of advancing possibilities for developing more concrete regulatory cooperation with the US authorities under the TTIP.

- Preparing Irish SMEs and MNEs based in Ireland for the EU goal to identify all relevant substances of very high concern by 2020 under the SVHC roadmap devised by ECHA.

**Employment Permits:**

- Operate a reformed and modernised employment permits system to meet the skilled occupational needs of enterprise as identified by the EGFSN (and others) including the issuance of up to 2,000 permits in 2014 required as part of the industry /Government ICT skills Action Plan to make Ireland the top global location for ICT skills and confirm our status as the internet capital of Europe.
- Review, on a six-monthly basis the highly-skilled eligible and ineligible occupations list to ensure that as the economy picks up that the occupations in high demand and/or short supply are identified on an ongoing basis and the employment permits regime is responsive to economic developments.
- Launch the pilot Trusted Partner Registration system for selected employers (pilot will be clients of IDA/EI).

**Main priorities in the area of enterprise skills where we are influencing change:**

- High Level ICT Skills and Data Analytics across all sectors of the economy including the 2014 deliverables in ICT Skills Action Plan needed to meet the EGFSN identified skill shortages to 2018.
- Skills for International Trade to support the roll-out of the Strategy for Trade, Tourism and Investment, 2014. These include a multi-lingual workforce for an increasingly globalised marketplace (Develop a National Foreign Language Education Policy, boost the supply of foreign language skills at third level, align the assessment of foreign language learning proficiency outcomes to the Common European Framework of Reference for Languages, set targets for increased European student placements on ERASMUS, build up current numbers on in-company placement programmes in BRICS countries) and build-up a cadre of International Sales professionals by introducing Post Graduate Diploma course(s) in International Sales with foreign languages at third level e.g. German/French/Spanish; include a compulsory module on international

sales in third level business courses; add a stream on International Sales to the final year of international marketing programmes and the B.Comm platform as it currently exists and introduce an International Sales Degree Programme with foreign languages.

- Enhance the Expert Group on Future Skills Needs (EGFSN)’s process of ongoing engagement with the Higher education institutions on key areas of future skills needs of enterprise.
- Ensure that the Department is consulted by SOLAS regarding the FET Strategy operational plan, regarding how it plans to meet the enterprise skills needs identified by the EGFSN, engagement with employers, rolls out the new apprenticeship occupations and its metrics around the provision of traineeships to address employer needs.

### 1.8 Key dates / events in the period ahead for Minister

The following key events are provided for consideration by the Minister as to attendance / representation by the Department. In addition, a provisional Trade Mission Programme is attached at Appendix I.

Key Events in Minister’s Diary			
Month	Date	Meeting/Appointment	Time /Location
<b>JULY</b>			
Thursday	10	Oral PQs	09:30 - 10:45
		EI Annual Report Launch	10:45 - 12:00 Room 110 (Booked)
		C&CP BILL SEANAD COMMITTEE STAGE	15:00 - 18:30
Monday	14	Launch Kildare LEO	10:00 - 11:00 Aras Chill Dara, Devoy Park, Naas, Co. Kildare
		Official Opening of KBC Bank Hub	12:00 - 12:40 3 Forbes Street, Grand Canal Plaza, Dublin 2
		Meeting with Chair of IAASA	Minister’s Office
Tuesday	15	***Government Meeting***	10:00 - 13:00
		C&CP Bill Report and Final Seanad	13:00 - 15:00
Wednesday	16	TBC Confidential IDA client meeting	TBC Room 110
		EP Bill Committee, Report and Final	11:45 - 15:00

		Stages Seanad	
Thursday	17	EPSCO INFORMAL MILAN	All Day
Friday	18	EPSCO INFORMAL MILAN	All Day
		Briefing for JOC Estimates	Room 110 (booked)
Tuesday	22	Jobs Committee–Budget Process–Mid year Review of Vote	13:30 - 15:30
Thursday	24	Launch of FDI in Ireland-Facing the Challenges Report	08:00 - 08:30 24/26 City Quay, Dublin 2
	24	TBC Meeting with IMDA	Room 110
Monday	28	TBC Industry Partners Business Breakfast	08:00 - 09:00
<b>AUGUST</b>		<b>1 August -28 August 2014 No Events</b>	
	29 August to 8 September	EI/IDA Software and Services Mission – Australia	
<b>SEPTEMBER</b>			
Thursday	11	Meeting with Lord David Puttnam, Digital Champion for Ireland	09:00 - 09:30 Department
Friday	12	Launch of Enterprise Ireland Technology Centre for Pharma Manufacturing (PMTC)	tbc
Wednesday	17	International Society for Labour & Social Security Law - European Regional Congress - Time in pm tbc	14:00 - 15:00
Friday	19	Trade Informal Milan	All Day -
Monday	22	Address EI International Markets Week (time tbc)	14:00 - 14:30 East Point
Tuesday	23	TBC Minister to launch/open the Competitive Feasibility Fund (CFF) for AgriBusiness and to announce the winning Entries to the Innovation Arena at the National Ploughing Championships	10:00 - 10:30
Wednesday	24	Visit National Ploughing Championships	All Day
Thursday	25 & 26	COMPET FORMAL BRUSSELS	- All Day -
Friday			
<b>OCTOBER</b>			
Wednesday	1	InterTrade Ireland Event	13:00 - 14:00 Dublin City Centre
Thursday	2	TBC Meeting with Dutch Minister of Economic Affairs	11:00 - 11:30
Friday	3	DJEI Senior Management Conference	9.00
Monday	6	POSSIBLE BUDGET WEEK	- All Day -
Tuesday Wednesday	14 & 15	FAC Informal Council - Rome	- All Day -
Thursday	16	EPSCO FORMAL LUXEMBOURG	- All Day -
		Open Taking Care of Business Conference	08:45 - 09:15 Dublin Castle
Monday	20	TBC IDA US EAST COAST MISSION THIS WEEK	16:00 -19:00
Thursday	23	Minister to address Enterprise Ireland Big Ideas Event	08:45 -09:30 Location tbc

<b>NOVEMBER</b>			
Tuesday	4	Export Trade Council PM FAC FORMAL BRUSSELS ***Private Member's Bill***	Iveagh House All Day 10:00 – 12:00
Saturday	22	Address TEEU Biennial Delegate Conference	13:00-13:30 Newpark Hotel Kilkenny
Thursday	27	Speak at Enterprise Ireland CEO Forum	08:00 – 08:30 The Printworks, Dublin Castle
<b>DECEMBER</b>			
Tuesday	2	European Space Agency Ministerial Council	All Day Luxembourg
Thursday Friday	4 & 5	COMPET FORMAL BRUSSELS	All Day
Tbc	tbc	Enterprise Ireland industry-academia collaboration event	tbc

### *July*

Appearance by the Minister before the Joint Oireachtas Committee on Jobs, Enterprise and Innovation **on Tuesday 22 July** intends in relation to its mid-year review of the Department's 2014 Revised Estimate

The Committee has advised that the mid-year review will focus on:

- 2013 outturns (output, performance and financial)
- end June data (output, performance and financial)
- 2014 forecast outturns (output, performance and financial)
- DJEI's proposals for 2015

### *October*

Budget 2015 is due to take place on 14 October 2014. In advance of the budget Government will have given consideration to the menu of options deriving from the Comprehensive Reviews of both Current and Capital Expenditure which are currently underway. The Comprehensive Expenditure Report 2015 which will be published as part of the Budget Statement will set the expenditure ceilings for the Department for the period 2015 to 2017. A new Medium Term Capital Investment Framework setting Departmental capital ceilings for the period 2016-2020 will also be published at that time as part of Budget 2015.



***No fixed Dates***

The Minister will be expected to present the Department's Estimate to the Enterprise Select Committee following the publication of the 2015 Revised Estimates Volume.



**Department of Jobs, Enterprise and Innovation**  
**Management Structure - Current**

**John Murphy – Secretary General**

<b>Divisions</b>	<b>Corporate Services, EU Affairs and Trade Policy Division</b>	<b>Competitiveness &amp; Jobs Division</b>	<b>Labour Affairs Division</b>	<b>Innovation &amp; Investment Division</b>	<b>Commerce, Consumer &amp; Competition Division</b>
<b>Asst. Secs.</b>	<b>Philip Kelly</b>	<b>Clare Dunne</b>	<b>Martin Shanagher</b>	<b>Dermot Curran</b>	<b>Breda Power</b>
Principal Officers	<p><b>John Hughes</b> -Personnel – Learning &amp; development            Organisation &amp; Accommodation</p> <p><b>Conor Verdon</b>- Business Services Unit –Management Support Unit</p> <p><b>Pat McCourt</b> – ICT Unit</p> <p><b>Cathal O’Gorman</b> – Finance Unit</p> <p><b>Thomas Murray</b> – EU Affairs &amp; Internal Market</p> <p><b>Gerry Monks</b> – Trade Policy Unit –Bilateral Trade</p>	<p><b>William Parnell</b> – Competitiveness &amp; Climate Change</p> <p><b>Eugene Forde</b> – Enterprise Development Unit</p> <p><b>Paraig Hennessy</b> – SME Policy/State Aid</p>	<p><b>Fiona Kilcullen</b> – Internal Audit</p> <p><b>Paul Cullen</b> – Labour Market EU EPSCO Co-ordination            Health &amp; Safety Policy/Chemicals</p> <p><b>Dermot Sheridan</b> – Employment Rights Policy</p> <p><b>Liam Kelly</b> – Industrial Relations – WRC Liaison</p> <p><b>Fiona Flood</b> – Employment Permits &amp; Economic Migration Policy</p> <p><b>Maureen O’Sullivan</b> – Workplace Relations Reform</p>	<p><b>Pauline Mulligan</b> – Science, Technology &amp; Innovation (STI) Policy &amp; Finance and Industry RDI</p> <p><b>Aidan Hodson</b> – Science Foundation Ireland, EU and International STI &amp; PRTL</p> <p><b>Stephen Curran</b> – Inward Investment &amp; North/South Unit</p> <p><b>Anne Coleman Dunne</b> – Intellectual Property Unit</p>	<p><b>Kieran Grace</b> – Competition &amp; Consumer Policy</p> <p><b>Helen Curley</b> – Company Law Policy &amp; Agencies/Offices</p> <p><b>Pat A Houlihan</b> – Company Law Review Group, EU including Audit &amp; Accounting</p> <p><b>Elaine Cassidy</b> – Companies Bill 2012</p> <p><b>Máire Ni Chuirc</b> – Cooperative Law &amp; PIAB Liaison</p>
Permanent Representation in Brussels	Lorraine Benson Eddie Nolan				
Permanent Representation in London	Declan Morrin				
Permanent Representation in Geneva	John Newman				

## Structure of Department of Jobs, Enterprise and Innovation – Post Integration of Forfás

Secretary General  
John Murphy

Corporate Services & EU Affairs	Labour Affairs Division	Commerce, Consumer & Competition Division	Science, Technology & Innovation	Indigenous Enterprise Development	Inward Investment & Enterprise Initiatives	Strategic Policy
<b>PHILIP KELLY</b>	<b>MARTIN SHANAGHER</b>	<b>BREDA POWER</b>	<b>DERMOT CURRAN</b>	<b>CLARE DUNNE</b>	<b>DECLAN HUGHES</b>	<b>MARTIN D SHANAHAN</b>
<b>Human Resources</b> -John Hughes <b>Finance</b> CathalO’Gorman <b>ICT Unit</b> – Pat McCourt <b>Management Support Unit</b> Conor Verdon / Michael O’Leary <b>Business Services Unit</b> – Conor Verdon/John Hughes <b>E.U Affairs</b> – Thomas Murray	<b>Industrial Relations WRC Liaison</b> – Liam Kelly <b>Employment Rights- Dermot Sheridan</b> <b>Employment Permits, Economic Migration Policy</b> - Fiona Flood <b>Health &amp; Safety Chemicals, Labour Market and EPSCO</b> – Paul Cullen <b>Internal Audit</b> – Fiona Kilcullen <b>WRC Project Reform</b> – Maureen O’Sullivan	<b>Competition &amp; Consumer Policy-</b> Kieran Grace <b>Company Law Review Group, and EU including Audit and Accounting</b> – Pat A Houlihan <b>Company Law Policy and Agencies/Offices, and Business Regulation</b> – Helen Curley <b>Companies Bill</b> – Elaine Cassidy <b>Co-Op Legislation</b> – Máire Ní Chuiric	<b>S.T.I. Policy, and E.I. RDI</b> – Pauline Mulligan <b>S.F.I./P.R.T.L.I.</b> – Aidan Hodson <b>I.P.U./Patents-</b> Anne Coleman Dunne	<b>EI Programme CEBs/LEO’s</b> – Eugene Forde <b>Access to Finance Entrepreneurship</b> – Paraig Hennessy <b>Trade Policy</b> – Gerry Monks	<b>Inward Investment-North/South</b> Stephen Curran <b>Cross-Agency and sectoral initiatives</b> <b>Regional Enterprise Strategies</b> – William Parnell <b>Coordination of Enterprise Policy</b> (to be decided)	<b>Economic Analysis Competitiveness/ Infrastructure/Tax Policy-</b> A. Devitt <b>Education/Skills Data/Surveys</b> – M.Bourke <b>A.P.J. Trade</b> – K. Hynes <b>Enterprise Policy Evaluations</b> – M. Ginnity <b>S&amp;T</b> – J. Dooley
Press & Communications Offices	NERA Labour Court L.R.C./R.C’s E.A.T. Equality Tribunal H.S.A.	C.R.O./R.F.S. O.D.C.E. P.I.A.B. I.A.A.S.A. Competition Authority N.C.A.	S.F.I. Tyndall E.I. (RDI)	EI NSAI (CEB’s)/LEO’s	I.D.A. InterTrade Ireland (Shannon)	N.C.C. EGFSN

## *Section Two ~ Key Issues*

### **Summary of Key Issues by Division**

Key policy and related issues currently under examination across the Divisions within the Department are summarised below, and are outlined in further detail, by Division, in the subsequent pages.

#### **1. Competitiveness & Jobs Division**

**(see Section 2.1 for further detail)**

#### **Clare Dunne, Assistant Secretary**

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Indigenous Enterprise Development Unit	Eugene Forde
Access to Finance & State Aid Unit	Páraig Hennessy
Competitiveness & Climate Change Unit	William Parnell

The main priorities for the Indigenous Enterprise Development Division of the Department include:

- (a) Support Enterprise Ireland in delivery of its enterprise support mandate, including launch of its 2014 – 2016 Strategy
- (b) Embed Local Enterprise Offices (LEOs) as the First Stop Shop for Micro Enterprise and Small Business Supports
- (c) Formulation and Delivery of Year of Irish Design 2015
- (d) Access to Finance for SMEs
- (e) Enact legislation to amend the Credit Guarantee Act 2012
- (f) Review the Microenterprise Loan Fund Scheme
- (g) Entrepreneurship Policy Statement
- (h) Programme for the Competitiveness of enterprises and SMEs (COSME)
- (i) Advisory Group on Small Business, SME Envoy for Ireland & Small Business Act for Europe

- (j) Late Payment Code of Conduct
- (k) Implementation of State Aid Modernisation (SAM)
- (l) Play a key role in the preparation of the Government's Action Plan for Jobs and monitor and report on DJEI deliverables under the Action Plan.
- (m) Drive initiatives in areas such as the Green Economy, Retail, Procurement for SMEs and Corporate Social Responsibility to support competitiveness and job creation.
- (n) Monitor developments at national and international level in relation to climate change and form a Departmental perspective on proposals from the point of view of competitiveness and jobs.
- (o) Assess the potential for reduced energy Costs in the context of responding to the Green Paper on Energy Policy
- (p) Finalise the legislative changes required to give effect to the integration of Forfás into the Department (Industrial Development (Amendment) Act 2014 is now enacted, but Commencement Orders to be finalised).
- (q) Provide the Department's input to the agenda of relevant Cabinet Committees and Senior Officials Groups (i.e. Economic Recovery & Jobs, Climate Change & Green Economy, and Economic Infrastructure) to ensure that the Department's/Minister's objectives are progressed at that level.
- (r) Monitor Ireland's competitiveness at national and international level; facilitate the publication of reports of the National Competitiveness Council.
- (s) Prepare a Framework for the development of Regional Enterprise Strategies.

**2. Innovation and Investment Division**  
(see Section 2.2 for further detail)

**Dermot Curran, Assistant Secretary**

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
STI Policy, Industry R&D & Finances	Pauline Mulligan
EU/International STI & SFI Liaison	Aidan Hodson
Inward Investment, North South and Tax Policy	Stephen Curran
Intellectual Property Unit	Anne Coleman Dunne

The main priorities for the Innovation & Investment Division of the Department include:

1. Overseeing national arrangements to maximise participation in EU funding including Horizon 2020, ESIF; and INTERREG
2. Implementation of Research Prioritisation
3. IDA Funding; New IDA Strategy 2015-2020
4. Ratification by Ireland of the international Agreement setting up a Unified Patent Court to adjudicate on patent litigation
5. Science Foundation Ireland (SFI)
6. Structural and infrastructural issues in Research EcoSystem
7. Ireland's Enterprise Tax Offering
8. Evaluation of the recommendations of the Copyright Review Report
9. EU issues – European Research Area (ERA); Joint Programming Initiatives (JPIs)
10. Development of new Strategy for Science Technology and Innovation
11. IDA's Winning Abroad programme
12. Negotiation and adoption at EU level of proposals for reform of the system of trademark protection
13. Bilateral issues – (including UK-IE cooperation)
14. Initiatives to support company innovation and leverage the commercial potential of Ireland's State funded, cutting-edge research
15. Review of Funding models for Succeed in Ireland Initiative

16. Patents Office Liaison and governance
17. Consideration of possible future research infrastructure funding needs following completion of PRTL I 5
18. Sectoral Strategies – Space, Health & Marine
19. Review of Funding models for NIBRT
20. Public Health (Standardised Packaging of Tobacco Products) Bill 2013
21. STI Budgets



### 3. Commerce, Consumer and Competition Division

(see Section 2.3 for further detail)

#### Breda Power, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Competition and Consumer Policy Section	Kieran Grace
Company Law	Helen Curley (Policy and Agencies/Offices) Pat A Houlihan (CLRG,EU including Audit and Accounting) Elaine Cassidy (Companies Bill 2012)
Business Regulation	Helen Curley
Cooperative Legislation Unit	Maire Ni Chuirc AP (PO Vacancy)
PIAB Liaison	Maire Ni Chuirc AP (PO Vacancy)

The main priorities for the **Commerce, Consumer & Competition Division** include:

#### **Competition and Consumer**

- (a) Enactment of the Competition and Consumer Protection Bill 2014
- (b) Promulgation of regulations for certain practices in the grocery goods sector (with associated RIA);
- (c) Progress work on drafting of a transposing S.I. for the EU Directive on alternative dispute resolution (including undertaking a public consultation process in Q2/3 2014) with a view to meeting the deadline for transposition of July 2015.
- (d) Consumer Product Safety Regulation and Market Surveillance Regulation Package

#### **Company Law**

- (a) Enactment of the Companies Bill 2012 by end 2014.
- (b) Prepare Commencement Orders for the Companies Bill 2012
- (c) Implementation of the EU Recommendation on Quality Assurance of Audits
- (d) Transposition of Accounting Directive (2013/34/EU)

- (e) Transposition of Audit Directive (2014/56/EU) and implementation of Audit Regulation (EU) No 537/2014
- (f) Transposition of the Directive on the Interconnection of Business Registers
- (g) Analyse the implications and appropriateness of the evolving role being proposed by the Department of Finance for the Company Law agencies in the Irish Collective Asset-Management Vehicle (ICAV) Bill.
- (h) Provide Secretariat support to the Company Law Review Group (CLRG) whose work programme for 2014-2016 includes a review of the enforcement of company law.
- (i) Participate in negotiations on EU proposals in the area of company law in the following areas:
  - Proposal to amend the EU Regulation on cross border insolvency (published in December 2012). This dossier is shared with the Department of Justice.
  - Proposal to amend the Accounting Directives as regards the disclosure by certain companies of non-financial or diversity information (published in April 2013).
  - Proposal for a new Directive to encourage long term shareholder engagement (published April 2014).
  - Proposal for a new Directive to replace the existing Directive on single member private limited companies (published April 2014).
  - Respond to EU Recommendations on (i) a new approach to business insolvency and failure; and (ii) the quality of corporate governance reporting (comply or explain).
- (j) Facilitate the work of the company law bodies (Companies Registration Office, Office of the Director of Corporate Enforcement and Irish Auditing and Accounting Supervisory Authority), including through pursuing sanction for necessary resources

### **Business Regulation**

- (a) Provide secretariat support to the High Level Group on Business Regulation
- (b) Communication with Business on regulatory issues: Taking Care of Business events; expanding and continuing to publicise the [businessregulation.ie](http://businessregulation.ie) portal
- (c) Providing advice and support to other areas of the Department and other Departments in relation to the reduction of the administrative burden on business.

### **Cooperative Legislation**

- (a) Introduction of a number of regulatory improvements for co-operative societies (Industrial and Provident Societies) (I&P) and certain changes to the Friendly Societies legislative framework.
- (b) Engage further with the Department of Finance in relation to the Prudential supervision gap in respect of certain Friendly Societies (FS) and Industrial and Provident Societies (I&PS)

### **PIAB Liaison**

- (a) Personal Injuries Assessment Board – review and amend the PIAB Act to deal with issues relating to reserves and various operational issues.

**4. Labour Affairs Division**  
 (see Section 2.4 for further detail)  
**Martin Shanagher, Assistant Secretary**

<b>Business Units in the Division</b>	<b>Head of Unit (Principal Officer)</b>
<i>Workplace Relations Reform Programme Office</i>	<i>Maureen O’Sullivan PO</i>
<b>Industrial Relations Unit</b> <b>Workplace Relations Liaison Unit</b> <b>Employment Appeals Tribunal</b>	<b>Liam Kelly PO</b>
<b>Economic Migration Policy Unit</b>	<b>Fiona Flood PO</b>
<i>Labour Market and EU EPSCO Policy Unit</i> <b>Safety, Health and Chemicals Policy Unit</b>	<i>Paul Cullen PO</i>
<b>Employment Rights Policy Unit</b>	<b>Dermot Sheridan PO</b>
<b>Internal Audit</b>	<i>Fiona Kilcullen PO Accountant</i>
<ul style="list-style-type: none"> <li>- <b>Offices :</b></li> <li>- <b>Labour Relations Commission</b></li> <li>- <b>Labour Court</b></li> <li>- <b>NERA</b></li> <li>- <b>Equality Tribunal</b></li> <li>- <b>Employment Appeals Tribunal</b></li> <li>- <b>Health and Safety Authority</b></li> </ul>	<b>CEO - Kieran Mulvey</b> <b>Chairman - Kevin Duffy</b> <b>Dep. Director - Pdraig Dooley</b> <b>Director - Niall McCutcheon</b> <b>Chairman -Kate O’Mahony</b> <b>CEO - Martin O’Halloran</b>

## **Main priorities for the Labour Affairs Division:**

### **(A) Workplace Relations**

- (i)** **Reform of Ireland's Workplace Relations system** and establishment of the Workplace Relations Commission (incorporating the LRC/Rights Commissioners/NERA/Equality Tribunal and first instance functions of the EAT) - and a separate appeals body which will effectively be an expanded Labour Court.
- (ii)** Ensure passage of the enabling **Workplace Relations Bill 2014**, development of new case management IT system, new streamlined work processes, new staffing structures, new accommodation solution, enhanced customer service, manage wind down of the EAT and deliver €2m savings over a 2010 base.

### **(B) Industrial relations**

- (i)** Legislate to implement the agreement negotiated regarding the Programme for Government Commitment on **Collective Bargaining**. Draft heads are being prepared.
- (ii)** Legislate for a new structure to **replace the REA system** struck down by the Supreme Court. New structure and Heads of Bill have been prepared.
- (iii)** Respond to **individual Industrial Relations disputes** as they arise such as IASS/Airport; Dublin Bus/Irish Rail, Bausch and Lomb, Greyhound Household etc.

### **(C) Economic Migration/Employment Permits**

- (i)** Ensure Ireland's **economic migration policy** drives economic development and job creation by supplying skills in critical short supply (e.g. ICT sector) while protecting the Labour Market through rules based exclusions and restrictions.
- (ii)** Secure passage of the **Employment Permits Bill**, currently in the Oireachtas, to give a solid legal basis for a responsive employment permits system.
- (iii)** Continue **enhancement of customer service** in processing employment permits, reduced processing times and introduction of a Trusted Partner Scheme. Consider further unifying employment permits and visas.
- (iv)** Ensure implementation jointly with D/Education and Skills of the **ICT Skills Action plan**.

### **(D) Labour Market/EPSCO**

- (i)** Lead cross-departmental co-ordination for the **EPSCO Council** and EMCO and the related Semester process notwithstanding almost all labour market activation measures now lie with other Departments. Forthcoming Councils 17/18 July (Informal), 16 October and 11 December.
- (ii)** Input to **Pathways to Work** as the twin track to the APJ and deliver on the **Protocol** between DSP, DJEI and the enterprise agencies to maximise the recruitment of suitably skilled people from the Live Register. Input also to influence the related establishment and functioning of **Solas** and the **ETB** and the further education and training strategy.

### **(E) Employment Rights**

- (i) Work through NERA to safeguard employment rights through provision of information, enforcement and prosecution.
- (ii) Ratification of the ILO Domestic Workers Convention concerning decent work for domestic workers worldwide to be completed in the coming months.
- (iii) Development of policy options around the impact of the Working Time Act and National Minimum Wage Act to sleepover situations, particularly inactive on call time.
- (iv) Transposition of the Posted Workers Enforcement Directive which aims to ensure the right balance to allow the free movement of workers and services directive to operate effectively and yet avoid social dumping or contractors with the lowest employment rights standards undercutting all others.
- (v) Pre-planning for the consolidation of all employment rights legislation which consists of some 22 primary Acts and over 70 Statutory Instruments.

### **(F) Internal Audit**

- (i) Provide a risk-based internal audit service in compliance with Department of Public Expenditure and Reform (DPER) requirements.
- (ii) Provide assurance to the Accounting Officer (Secretary General of the Department) regarding the internal control systems of the Department and those Offices directly within the remit of the Department.
- (iii) Complete the annual audit plan for 2014 approved by the Audit Committee and Secretary General as part of a three year strategic plan.

### **(G) Health and Safety/Chemicals**

- (i) Lead on **Occupational Health and Safety and Chemicals under REACH** including staffing, funding and work programme of the Health and Safety Authority requiring new strategies to achieve results with fewer resources e.g. BeSmart.ie. Bring INAB into HSA on Forfás dissolution.
- (ii) Engage on sectoral H&S strategies such as Agriculture and a re-emerging construction sector; review Ireland's Dangerous Substances regime; transpose Seveso III Regulations on major accident hazards, recognise that major HSA staff losses on Chemicals is impacting service to FDI and indigenous companies and monitor closely.

## 5. Corporate Services, EU Affairs and Trade Policy Division

(see Section 2.5 for further detail)

### Philip Kelly – Assistant Secretary

<b>Business Unit</b>	<b>Head (Principal Officer)</b>
Personnel, Training & Development	John Hughes
Finance Unit	Cathal O’Gorman
Management Support Unit	Conor Verdon
ICT Unit	Pat McCourt
EU Affairs and Internal Market Unit	Tommy Murray
Trade Policy Unit	Gerry Monks
Department Legal Advisor	Marion Berry
<b>Principal Officers assigned Overseas</b>	
Permanent Representation Brussels	Lorraine Benson Eddie Nolan
Permanent Representation Geneva	John Newham
Permanent Representation London	Declan Morrin

The main priorities for the Corporate Services Division of the Department are:

1. Manage continued downsizing of Department and Agency Grouping to meet ECF targets
2. Oversee HR dimension of Forfás integration into DJEI
3. Promote Learning & Development Strategy in support of Staff Development and Upskilling
4. Undertake Current and Capital Expenditure Reviews
5. ICT Supports to Organisational Reform and Accommodation Changes
6. Define and advance Departmental EU Work Programme
7. EU Competitiveness Council – Internal Market and Industry Issues

8. Services Directive Implementation
9. Transatlantic Trade and Investment Partnership (TTIP) and other Trade Negotiations
10. World Trade Organisation (WTO) Negotiations
11. WTO – Plain Packaging for Tobacco
12. Plain Packaging Notifications (TBT/TRIPS Process)
13. Bilateral Trade Promotion

## 6. Forfás / Strategic Policy Division

(see Section 2.6 for further detail)

**Martin Shanahan, CEO, Forfás**

**Declan Hughes, (Divisional Manager/Assistant Secretary)**

<b>Business Unit</b>	<b>Head of Unit (Principal Officer)</b>
Enterprise Policy & Evaluations	Maria Ginnity
Trade, Regulation, Enterprise Innovation & Action Plan for Jobs	Karen Hynes
Education, Skills/EGFSN, Environment & Survey Analysis	Marie Bourke
Economic Analysis, Competitiveness, Infrastructure, Tax & Finance	Adrian Devitt
Science, Technology & Innovation	John Dooley

The Strategic Policy Division is to be formed in the Department following the integration of Forfás with DJEI at end July 2014. The following material is written from the perspective of the Division being operational within the Department from end July.

Main priorities for the Strategic Policy Division:

### **Action Plan for Jobs:**

1. Working across Government to progress implementation of the Action Plan for Jobs 2014.
2. Co-ordinating the development of the Action Plan for Jobs 2015 across Government for publication in Q1 2015.

### **Enterprise Policy**

- i. Developing a new Statement of Foreign Direct Investment Policy and priorities.
- ii. Evaluation of the programmes of the enterprise agencies to assess value for money of DJEI programme expenditure, in the areas of start-ups, R&D and business development supports.
- iii. Developing a Medium Term Enterprise Policy to 2020 and 2025, including analysis of direct and indirect economic impacts of export-led growth enterprise policy.
- iv. Working across Government to develop competitive advantage in new opportunity areas including Data Analytics and Smart Ageing.
- v. Implementation of an Integrated Licensing Application Service with the Commerce, Consumers and Competition Division.
- vi. Determining Ireland's Trade and Investment priorities in international trade negotiations and agreements.
- vii. Progressing research on understanding the dynamics of firm start-ups and entrepreneurship.



### **Competitiveness**

- i. Preparation of the Competitiveness Scorecard and Competitiveness Challenge report for the National Competitiveness Council, to influence decisions on that can enhance competitiveness and job creation.
- ii. Undertaking a review of Insurance Costs.

### **Tax and Finance**

- i. Developing the DJEI Pre-Budget Submission with the enterprise agencies.
- ii. Providing central co-ordination on tax policy across the Department and its agencies, including on the Investor Model.

### **Education, Skills and Labour Market Policy**

- i. Advancing skills needs of enterprise through technical support for the Expert Group for Future Skills needs in areas such as ICT, in the Hospitality Sector- Hotels, Tourism and Catering, Marine and in Freight Transport/Distribution/Logistics Sectors.
- ii. Providing labour market analysis on issues relating to activation and addressing enterprise needs.

### **Science, Technology and Innovation Policy**

- i. Ensuring implementation of the Research Prioritisation Exercise and supporting the work of the Prioritisation Action Group
- ii. Developing a new STI Strategy to 2020 with the STI Division.
- iii. Developing proposals to enhance the intellectual property management activities of firms.

### **Economic Infrastructure**

- i. Advancing enterprise priorities for Economic Infrastructure investment and reform including in energy, water services and waste management to support regional growth.

### **Enterprise Surveys and Data Analysis**

- i. Conducting surveys of enterprise agency client performance and in the area of R&D and related data analysis.
- ii. Fulfilling the Department's quarterly obligations on the provision of National R&D Statistics to the OECD and Eurostat.

**2.1 Competitiveness & Jobs**  
**Clare Dunne, Assistant Secretary**

<b>Business Units in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Indigenous Enterprise Development Unit	Eugene Forde
Access to Finance & State Aid Unit	Páraig Hennessy
Competitiveness & Climate Change Unit	William Parnell

**Brief Information on Key Priorities**

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Indigenous Enterprise Development Unit	Eugene Forde

**Item:** **Support Enterprise Ireland in delivery of its enterprise support mandate, including launch of its 2014–2016 Strategy**

**Summary:** The Department works closely with Enterprise Ireland (EI) in the delivery of its enterprise support mandate on a day-to-day basis. In this regard, EI has produced a new three-year Strategy Plan for the period 2014 – 2016. EI will focus on assisting its client companies to grow exports, by building capability in innovation, competitiveness and management development, which will ultimately support job expansion. Headline targets include export sales of €22bn by 2016 (from €17bn in 2013) and 40,000 new jobs created in Irish Companies by end 2016.

EI is funded through a combination of Exchequer Grants and Own Resources. The Agency provides financial support for the development of Irish companies by making direct investments (grants and equity) in individual client projects and indirectly through participating in venture capital funds. EI also provides significant ‘soft’ supports to companies by way of management and leadership development, mentoring, business development and overseas market supports.

EI disbursed financial supports to industry in 2013 amounting to €203 million.

**Next steps/ timeframe**

1. Early date to be agreed with Minister for launch of EI Strategy 2014 - 2016.
  - Department to continue ongoing close collaboration with EI on delivery of its mandate to companies.
2. To deliver adequate financial resources in the 2015 Estimates to deliver on EI’s jobs target for next year.

Officials: A/Sec: Clare Dunne, ext 2186 PO: Eugene Forde, Ext 2155

Item: **Embed Local Enterprise Offices (LEOs) as the First Stop Shop for Micro Enterprise and Small Business Supports**

Summary: On the 15th April 2014, the 35 County Enterprise Boards (CEBs) were dissolved under the County Enterprise Boards (Dissolution) Act 2014. On the same day, 31 Local Enterprise Offices (LEOs) were established in the Local Authorities (LAs). On dissolution of the CEBs their functions, assets and liabilities were transferred to Enterprise Ireland (EI) with the functions being carried out at a local level through the LAs. The Minister for Jobs, Enterprise & Innovation retained responsibility for policy and budgets.

The staff of the CEBs were retained and transferred in to the new LEOs to merge with staff of the LA that previously worked in the business support units of the LAs. This ensured that the enterprise expertise, knowledge and experience were retained. As was the case in the CEBs, the LEOs are delivering financial supports such as priming, business expansion and feasibility study grants to micro enterprises (less than 10 employees), with non-financial assistance such as training, mentoring and business advice – which was available only to micro enterprises – now extended to small businesses. One of the other main changes within the LEOs is the sign-posting service now available and backed up by signed protocols between the Department and various enterprise support providers. The LEOs now operate as a First-Stop-Shop, where new or existing entrepreneurs can receive either direct assistance or be referred to the most suitable source of support for their circumstances, e.g. to Revenue, Social Protection, Micro Finance Ireland, the Credit Review Office, Skillnets etc.

Each LEO operates under a Service Level Agreement (SLA) agreed between EI and the LAs, which combines the functions previously performed by the CEBs with those of the Business Support Units in the LAs. The Department and the Centre of Excellence (CofE) in EI will be working closely with the LAs and DCELG to ensure that the LEOs operate as an integrated Unit, thereby maximising their outputs. The SLA contains the template for the Local Enterprise Development Plan for each County along with a series of performance metrics against which the performance of the LEO will be measured.

Next steps/  
timeframe A LEO Steering Group, to be chaired by this Department, will be established shortly to review the operations and performance of the LEOs in accordance with the SLA on an ongoing basis. This will encompass the performance of the individual LEOs with a view to disseminating best practice across the Network, their communication strategies, the linkages between each other and with other organisations, and their customer service.

The Local Enterprise Development Plans, which will set out a range of measures aimed at directing enterprise development and encouraging entrepreneurship within the LEO functional area, and the associated metrics are currently being finalised by the CofE, in conjunction with the LAs and the LEOs. All are due to be completed by the end of June

The Department and the CofE are continuing to finalise Protocols with relevant enterprise support providers. Protocols have already been agreed and signed with D/Social Protection, Revenue, Skillnets, Credit Review Office and work is

continuing to secure agreement on other protocols e.g. such as Údarás na Gaeltachta, LEADER, etc, to ensure that the LEOs and those Agencies work together to best serve client needs.

The Department is currently reviewing the national enterprise policy for the LEOs, which will outline the main priority objectives, re-iterate the nature of available supports for micro, small and medium enterprises both direct financial and other non-financial supports and the criteria under which they are available. This review is being undertaken by DJEI and EI with the input of relevant stakeholders through a new formed working group. The aim is to have a draft policy by the end of July.

Officials: A/Sec: Clare Dunne, ext 2186 PO: Eugene Forde, Ext 2155

Item: **Formulation and Delivery of Year of Irish Design 2015**

Summary: The Government has accepted the recommendation of the 2013 Global Irish Economic Forum to designate a year to celebrate Irish design. The initiative will be devised and managed by the Design & Crafts Council of Ireland (DCCoI), in collaboration with the Department of Jobs, Enterprise and Innovation (DJEI), the Department of Foreign Affairs and Trade (DFAT), the Department of Arts, Heritage and the Gaeltacht and Enterprise Ireland (EI).

Design is a key component of business innovation, differentiation and international competitiveness. Through a programme of activities at home and abroad, the overall aim of the YOID 2015 is to enjoin all parts of the Irish design economy in a concerted effort to promote design as a key business differentiator and employment opportunities for Irish design businesses.

Next steps/  
timeframe A memorandum for Government is being prepared giving an outline of the programme and budget. A detailed programme and budget will be prepared and arrangements put in place to deliver on activities in 2015.

Officials: A/Sec: Clare Dunne, ext 2186 PO: Eugene Forde, Ext 2155

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Access to Finance & State Aid Unit	Páraig Hennessy

Item: **Access to Finance for SMEs**

Summary: Further improve access to finance for micro, small and medium enterprises in Ireland, key priorities for 2014 include: increasing new lending to SMEs; increasing participation in Government sponsored access to finance schemes for SMEs; raising the level of awareness amongst SMEs and entrepreneurs of the business supports available; and enhancing the financial capability of SMEs.

Through the SME State Bodies Group (chaired by the Department of Finance), a

strong focus will be retained in 2014 on implementation, policy innovation, monitoring and learning, and active engagement with a diverse range of public and private actors. In particular, there will be a strong emphasis on broadening the range of bank and non-bank finance mechanisms available to SMEs. Additionally, the Group will work to ensure a strengthening of the linkages between SME capability building, advice and access to finance.

**Next steps/  
timeframe** The Government has introduced a range of schemes to support the provision of funding to SMEs. In 2014, we will take actions to increase participation in Government sponsored schemes such as the Microenterprise Loan Fund, the Credit Guarantee Scheme, the Seed and Venture Capital Scheme and the NPRF SME Funds.

Throughout 2014, work will be undertaken which will try to develop new sources of finance for SMEs. A range of different avenues will be explored in this respect, including working capital for exporters, retail mini bonds, supply chain finance, EU funding programmes and prompt payments initiatives.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: Páraig Hennessy, ext 2486

**Item:** **Enact legislation to amend the Credit Guarantee Act 2012**

**Summary:** The Credit Guarantee Scheme was introduced in October 2012 to facilitate the provision of additional bank lending to eligible SMEs by providing a 75% guarantee to banks against losses on qualifying loans. To be eligible the SME must have been refused bank credit due to lack of security and or inadequacy of understanding of the novelty of a business model, market, sector or technology.

The operation of the Credit Guarantee Act 2012 and the Credit Guarantee Scheme 2012 (SI No 360 of 2012) were reviewed in 2013 by external consultants due to a substantially lower than anticipated take-up of the Scheme. A Steering Group chaired by DJEI (with membership from the Department of Finance, Central Bank of Ireland, Credit Review Office, Enterprise Ireland, Forfás and the Department of Public Expenditure and Reform (DPER)), considered the external review in detail and made a number of recommendations for changes to the Act and the Scheme to the Minister. The Minister brought the external review and his findings and conclusions to Government on 17 June 2014, with a draft general Scheme for the Credit Guarantee (Amendment) Bill 2014.

The main purpose of the proposed Bill is to improve the State guarantee by enhancing the sharing of risk and to include a wider range of providers of financial products to SMEs, and a wider range of products. The Action Plan for Jobs 2014 commits to enacting this legislation by end Q3 2014.

**Next steps/  
timeframe** Lay the external review and Minister's findings and conclusions on it before both Houses of the Oireachtas, and publish them thereafter. Work with the Office of the Parliamentary Counsel to draft the Bill. Publish the Bill and proceed through the usual Oireachtas process to enactment. Timing is dependent on resources and workload within the OPC and is yet to be determined at this point.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: Páraig Hennessy, ext 2486

**Item: Review the Microenterprise Loan Fund Scheme**

**Summary:** The Microenterprise Loan Fund and Microfinance Ireland (MFI) became operational on 1 October 2012. MFI was established to provide loans of up to €25,000 to microenterprises in all sectors that have been refused bank credit. Take-up to date has not been as high as was originally anticipated. The Microenterprise Loan Fund Act 2012 provides in section 22 that the Minister commence a review of the operation of the Act within 2 years of its passing. The Action Plan for Jobs 2014 requires the review to be commenced by end Q2 2014.

**Next steps/  
timeframe** The Department is working with Microfinance Ireland to gather the data required for the Review. It is envisaged that the Department will undertake the analysis and review work in-house and make a report to the Minister in 2014.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: Páraig Hennessy, ext 2486

**Item: Entrepreneurship Policy Statement**

**Summary:** The Taoiseach has described 2014 as the Year for Jobs, and as part of a drive to support that ambition one of the core themes of this year's Action Plan for Jobs is entrepreneurship and startups. As two thirds of all new jobs are created by companies in their first five years after formation, policy action to support entrepreneurship growth is core to our response to the jobs crisis.

The Government committed to produce the first ever National Entrepreneurship Policy Statement within the context of the Action Plan for Jobs 2014. The Statement will further expand on the rationale, policies and actions set out in the Entrepreneurship chapter in the Action Plan for Jobs 2014. It will contain a set of cross-Governmental targeted actions to drive improvements in the overall environment for entrepreneurship, thereby demonstrating our commitment to increasing the prevalence of job creating startups.

A key focus will be looking at ways to promote and celebrate entrepreneurship, to inspire and to unleash the potential of specific cohorts, to include youth, females, unemployed, immigrants and seniors. The Government has set out a vision for Ireland to be among the most entrepreneurial nations in the world and to be acknowledged as a world-class environment to start and grow a business.

**Next steps/  
timeframe** Publication of the Entrepreneurship Policy Statement and implementation and monitoring of the actions.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: Páraig Hennessy, ext 2486

**Item: Programme for the Competitiveness of enterprises and SMEs (COSME)**

**Summary:** The European Commission programme for the Competitiveness of enterprises and SMEs (COSME) aims at encouraging the competitiveness of European enterprises. With small and medium-size enterprises (SMEs), current and potential entrepreneurs and business support organisations as its main targets, the programme will provide better access to finance, deliver business support services and promote entrepreneurship.

The Programme will run from 2014 to 2020 with a budget of €2.23 billion.

COSME, together with the Horizon 2020 research programme, will replace the current Competitiveness and Innovation Framework programme (CIP). It will support all kinds of SMEs. But whereas Horizon 2020 will focus on business start-ups COSME will focus on their growth.

Next steps/  
timeframe

The budget for COSME, while comparatively small in relation to other enterprise facing programmes, provides some opportunities for improving access to finance for SMEs and augmenting the important support service delivered by the EEN Ireland (managed by EI).

The current support structure for SMEs seeking support in accessing EU funding programmes is provided by DJEI in conjunction with Enterprise Ireland (National Support Network – 32 National Contact Points drawn from ten agencies). As stated above, the Enterprise Europe Network Ireland office is funded through COSME and will be a constituent member of the National Support Network.

The financial instruments in COSME will be managed by the European Investment Fund in cooperation with financial institutions in Member States. It is an absolute prerequisite that the relevant financial intermediaries in Ireland (BANKs) engage with this programme or this facility will not be available to SMEs in Ireland.

Officials:

A/Sec: Clare Dunne, ext 2186      PO: Páraig Hennessy, ext 2486

Item:

**Advisory Group on Small Business, SME Envoy for Ireland and Small Business Act for Europe**

Summary:

**Advisory Group for Small Business:** The Advisory Group for Small Business (AGSB) was established by the Taoiseach in June 2011 and is chaired by the Minister for Small Business. The broad terms of reference for the AGBS are to facilitate structured and regular dialogue between the Minister for Small Business and representatives of the small business sector on issues of concern to that sector on how to promote the economic development and job potential of the sector having regard to the current restraints imposed on the national finances and to recommend action points and follow up.

Membership of the AGBS includes entrepreneurs, nominees from the main small business representative bodies, the Credit Review Office and officials from the Department of Jobs, Enterprise and Innovation as well as from the state enterprise support agencies, Forfás, Enterprise Ireland and the Local Enterprise Offices (LEOs).

The Minister for Small Business is also SME Envoy for Ireland. One of the core elements of the SME Envoy Network is the monitoring of the Small Business Act.

**Small Business Act for Europe:** The Small Business Act (SBA) for Europe was adopted in June 2008 and updated in February 2011. It provides a comprehensive policy framework for actions in favour of European SMEs both at the EU level and in Member States.

Rather than being a legislative Act as such, the SBA and its Review are both Commission Communications containing a number of legislative proposals, 10 guiding principles and measures to be implemented at EU and Member State levels with the aim of helping SMEs.

In terms of implementation, the SBA has been fully embedded in the Lisbon Agenda Growth and Jobs Strategy 2008-2010 and also in the Lisbon 2020 Strategy to ensure its efficient implementation and to allow for a regular update on its deliverables.

**SME Envoy Network:** Since 2011, and as part of the Review of the SBA, the role of SME Envoy was established whereby the Commission invited Member States to nominate a national SME Envoy to complement the role of the European Commission's SME Envoy. Together with representatives of EU-level SME business organisations, the Network of SME Envoys make up the SBA advisory group.

In most Member States, the national SME Envoy represents the Ministry or Agency with the remit of SME Policy. Ireland is one of the few Member States who have appointed a Minister as their SME Envoy. The objective of the SME Envoys, through the SME Envoy Network, is to provide an authoritative voice on SME issues across the EU. It focuses on strategic issues related to the SBA implementation and provides an integral view on EU policy, which may have an impact on EU SMEs. The SME Envoy Network also reports to the COMPET Council in relation to progress on the implementation of the SBA across Member States.

Next steps/  
timeframe

**AGSB:** Ongoing. Next meeting of AGBS scheduled for Wed 2 July 2014.

**SBA:** A review of the Small Business Act will be undertaken by the Commission in 2014 which will include a public consultation process.

**SME Envoy Network:** Ongoing. Next meeting of SME Envoy Network will take place in Naples from 1 -3 Oct 2014.

Officials:

A/Sec: Clare Dunne, ext 2186

PO: Páraig Hennessy, ext 2486

Item:

### **Late Payment – Code of Conduct**

Summary:

Late payments are a critical issue for businesses in Ireland, particularly small and medium-sized businesses for whom any disruption to cashflow can mean the difference between solvency and bankruptcy.

Initiatives already introduced, at both national and EU level, to combat this issue include:

- Introduction in 2009 of the 15 day prompt payment rule whereby all Government Departments must pay their suppliers within 15 days of receipt of a valid invoice. This initiative was extended in 2011 to include the wider



Public Sector;

- Implementation of the EU Late Payment Directive which came into effect on 16th March, 2013; and
- Launch of the Late Payment Information Campaign in December 2013, aimed at providing businesses with information on the new measures introduced to support prompt payment.

Given the importance the Government attaches to this issue and in an effort to further combat late payments, this Department is committed under the Action Plan for Jobs, to the introduction of a Code of Conduct on Prompt Payments for Business aimed at improving cash flow between businesses.

The Code of Conduct is being developed by the Businesses Representative Bodies in Ireland with the support of this Department. It is intended that businesses who sign up to the Code can do so through an online prompt payment portal.

Signatories to the Code will undertake to:

- Pay suppliers on time, within the term of the contract and in accordance with legislation
- Give clear guidance to suppliers on payment procedure; and
- Encourage good practice by promoting adoption of the Code

Next steps/  
timeframe

The next step in this process is the delivery of the online portal currently being developed by the Irish Institute of Credit Management, with support from DJEI. A crucial element of the delivery of this initiative will be to secure the support of the business representative bodies.

Officials:

A/Sec: Clare Dunne, ext 2186

PO: Páraig Hennessy, ext 2486

Item:

### **Implementation of State Aid Modernisation**

Summary:

State aid, in the context of European Commission Competition Policy, is a term that refers to forms of assistance from a public body, or publicly funded body, given to undertakings on a discretionary basis, with the potential to distort competition and affect trade between member states of the European Union.

In general, State aid is banned because of its anti-competitive effects. For example, without State aid rules Member States might engage in wasteful subsidy races or perfectly healthy companies might be put out of business because their competitors received unfair state subsidies. However, various categories of schemes are approved because their positive effects are considered to outweigh their negative impact (IDA grants, tax-break schemes etc.).

On 8 May 2012, the Commission set out an ambitious State aid reform programme – State Aid Modernisation (SAM). The aim of this reform programme is to ensure State aid control effectively target sustainable growth-enhancing policies while encouraging budgetary consolidation, limiting distortions of competition and keeping the single market open. All regulations and guidelines have been reviewed,

revised and in some cases consolidated.

**Next steps/  
timeframe** The State Aid Modernisation (SAM) programme will necessitate an adjustment to the revised State aid landscape – more responsibility for aid control will rest with Member States. The extension of the General Block Exemption Regulation (GBER) offers greater potential to provide support to enterprise but there is also more emphasis evaluation procedures and transparency of State aid awards.

The shift from ex ante to ex post control will require significant engagement from State Aid Unit with DG Competition, the enterprise agencies and wider Government Departments. State Aid Unit will work with the Commission and national stakeholders to ensure the appropriate procedural mechanisms are in place to monitor national performance and compliance with EU State aid rules.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: Páraig Hennessy, ext 2486

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Competitiveness & Climate Change Unit	William Parnell

**Item:** **Play a key role in the preparation of the Government’s Action Plan for Jobs and monitor and report on DJEI deliverables under the Action Plan**

**Summary:** When the Government came into office in 2011, one of its key priorities was to address the high levels of unemployment and support economic recovery. In that context, it undertook to prepare an annual Action Plan for Jobs in the years 2012-2016, which contains specific, measurable actions to be taken across all Government Departments and a number of State Bodies and Agencies, with quarterly monitoring and reporting on progress.

The Competitiveness Unit and Forfás have, together, worked on the preparation of the annual Action Plans – undertaking consultations with relevant stakeholders, meeting with all Government Departments, analysing submissions and potential actions, and compiling the draft Action Plan for consideration by the Cabinet Committee on Economic Recovery & Jobs (CCERJ) and approval by Government.

Once the Action Plans are agreed and launched, Competitiveness Unit monitors the implementation of the actions assigned to the Department and its agencies, and coordinates the quarterly reports on each action to the Department of the Taoiseach, for publication.

Competitiveness Unit and Forfás are also both members of the Monitoring Committee for the Action Plan for Jobs, which is jointly Chaired by the Secretary General to the Department of the Taoiseach and the Secretary General of the Department of Jobs, Enterprise and Innovation. A representative of D/JEI or Forfás also sits on the Implementation Committee for the Disruptive Reform projects which are included in the 2014 APJ.

The Action Plan for Jobs 2014 includes 385 actions, which involves the implementation of circa 676 measures over the year across all Departments. DJEI and its Agencies are responsible for 264 of those measures, which is by far the greatest number by Department.

**Next steps/  
timeframe** The reports on implementation of actions due for completion in Q2 2014 (66 actions) and progress reports on “ongoing” actions (35 actions) are currently being compiled and submitted to D/Taoiseach. These will be considered by the Senior Officials Group on Economic Recovery and Jobs, before submission to the CCERJ and approval by Government. It is expected that publication of the Q2 Implementation Report will take place in late July, subject to the coordination of the diaries of the Taoiseach, Tánaiste and Minister for Jobs, Enterprise and Innovation.

The Department and its Agencies will continue to implement the remaining actions during 2014. There will also be a process commenced over the summer to identify potential actions for the 2015 APJ, with a view to drafting the Plan in the Autumn, for its consideration by the CCERJ and approval by Government in early January, before publication.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: William Parnell, ext 2345

**Item:** **Develop the jobs potential of the Green Economy in Ireland**

**Summary:** The Green Economy is one of the most dynamic and rapidly growing markets in the world, driven by issues such as climate change, the cost of fossil fuels, EU targets on emissions, renewable energy, energy efficiency, and waste reduction, as well as emerging business opportunities and consumer choice. It presents a major opportunity for growth, competitiveness and employment creation for Ireland.

A Government Policy Statement on Growth and Jobs in the Green Economy, Delivering our Green Potential, was published in November 2012. The Policy Statement is intended as a strong signal to potential foreign and domestic investors of the Government’s recognition of the potential of the Green Economy to contribute to economic growth and jobs, and of the Government’s commitment to developing that potential.

Delivering on the potential of the Green Economy requires a whole-of Government approach, and is overseen by the Cabinet Committee on Climate Change and the Green Economy, which is chaired by the Taoiseach.

In addition, a Consultative Committee on the Green Economy, chaired by the Minister has been established to identify emerging opportunities for Ireland in the Green Economy. It involves representatives of private industry as well as other stakeholders. Opportunities identified by the Consultative Committee have been included in the Action Plan for Jobs 2014. Meetings take place around every quarter.

**Next steps/** The Consultative Committee was established in May 2013. Under its terms of

timeframe reference, the role of the Committee is to be reviewed after 18 months and this will take place at the end of 2014.

Officials: A/Sec: Clare Dunne, ext 2186 PO: William Parnell, ext 2345

Item: **Monitor developments at national and international level in relation to climate change and form a Departmental perspective on proposals from the point of view of competitiveness and jobs**

Summary: As part of ongoing preparations for the UN global climate change talks in 2015, the European Council is to agree in October 2014 the headline climate and energy targets for the EU to 2030 of - 40% Greenhouse Gas (GHG) emissions reductions and 27% Renewable Energy. The agreement must be unanimous.

The Environmental Protection Agency's (EPA) latest GHG projections show that there is significant risk that, even under the best case scenario, Ireland will not meet its legally binding EU climate and energy targets for 2020. Therefore a step up in EU ambition to 2030, shared out amongst Member States, could compound the significant and costly impacts for Ireland of these EU targets.

Following recent engagements with the EU Commission, it is clear that if Ireland is to make a convincing case on this issue of overly ambitious national targets, a package of measures will need to be developed and implemented that is aimed at generating some progress towards potential less ambitious national targets (although Ireland can still support the overall EU-level targets).

The challenge in developing the package of measures to reduce emissions is to maximise the synergy between climate policy on the one hand, and promoting economic growth, employment creation and competitiveness on the other. We need to ensure that the transition to a low carbon economy is cost effective and does not impose an unreasonable burden on any one sector, industry or the consumer.

Next steps/  
timeframe Work on developing Ireland's approach to negotiating the 2030 climate and energy targets will be led by the Senior Officials Group on Climate Change and the Green Economy. A Technical sub-group is being established to review existing measures and evaluate additional proposals for measures to reduce Ireland's emissions. A High-Level Assistant Secretary Group will also meet weekly to continue to develop Ireland's negotiating strategy in time for the next round of key meetings at EU level in September 2014.

Officials: A/Sec: Clare Dunne, ext 2186 PO: William Parnell, ext 2345

Item: **Assess the potential for reduced energy costs in the context of responding to the Green Paper on Energy Policy**

Summary: The cost of energy presents a significant challenge to the competitiveness of Irish businesses, and according to Eurostat data, electricity costs for Irish businesses are amongst the highest in the EU.

The Minister for Communications, Energy and Natural Resources has recently published a Green Paper on Energy Policy in Ireland which is open for public consultation until the end of July. Following consultations with stakeholders on the Green Paper, a new Energy Policy White Paper will be developed during 2014 which will set out the framework for Energy Policy in Ireland in the medium and long term.

A transparent, competitive, medium-term strategy for energy policy in Ireland is important to provide certainty and reassurance to industry, large and small, indigenous and multinational, to continue to invest in the Irish economy and create jobs. A key objective of a new national Energy Policy should be to provide energy at prices which are as competitive as possible. Energy efficiency, while an important cost control, has limitations even for the best performing companies.

At the same time a smart energy policy has a pivotal role to play in creating the conditions for economic and social development, creating jobs and delivering regional development.

Next steps/  
timeframe      A submission on the Green Paper will be prepared by this Department in consultation with Forfás.

Officials:      A/Sec: Clare Dunne, ext 2186      PO: William Parnell, ext 2345

Item:      **Progress specific initiatives to support the Retail sector**

Summary:      The Retail sector plays an important part in the domestic economy. It accounts for approximately 10% of GDP (approx. €16 bn). Together with the Wholesale sector, it employs over 268,000 people in Ireland, representing approximately 15% of the workforce. The sector provides employment in every community in the country and is an important part of every locality. 50% of employment in the sector in 2012 was outside of Dublin. In addition, Retail indirectly supports jobs in other areas, such as logistics and distribution and provides an important outlet for Irish products.

The Government has already taken a number of actions which support the retail sector. The 2014 Action Plan for Jobs includes a number of measures aimed at supporting the recovery of the Retail sector. One of the key commitments given in the Action Plan for Jobs is the establishment of a Retail Consultation Forum which will provide a platform for a structured engagement between the Retail sector and relevant Government Departments and agencies. Issues that impact on the retail sector - from planning policy, to tax policy and skills - cut across a number of Government Departments and agencies. However, there is currently no structure in place which allows all of these parties to come together, along with Retail representatives and practitioners, to consider how public policy can contribute to supporting the sector. The Forum has been established, including representation from a range of sub-sectors within the retail sector and all relevant Government Departments. It held its first meeting on 9th June last, which was addressed by Minister Bruton and Minister Perry.

The Joint Oireachtas Committee on Jobs, Enterprise and Innovation (JOC) is also undertaking a series of hearings on town centre issues, as they relate to the retail sector. The JOC intends to issue its report on town centre issues in the autumn, for consideration at a future meeting of the Retail Consultation Forum.

There are a number of other actions to support the retail sector included in the 2014 APJ. The Unit is also working to progress these, including to highlight, through the retail representative bodies, the NAMA rent review guidelines and seek to ensure that they are widely understood and utilised, where appropriate, including in cases where public sector bodies are the owners of premises.

Next steps/  
timeframe      Some submissions are expected from the Retail Consultation Forum in relation to proposals for Budget 2015, to be analysed and transmitted to the Minister, and potentially to the Minister for Finance for consideration.

The next meeting of the Forum will be on Monday 8th September and will focus on potential actions for inclusion in the Action Plan for Jobs 2015.

Officials:      A/Sec: Clare Dunne, ext 2186      PO: William Parnell, ext 2345

Item:      **Supporting the Corporate Social Responsibility agenda, particularly as a competitiveness tool**

Summary:      The Minister launched Ireland's first National Plan on Corporate Social Responsibility in April 2014, which will run until 2016. Its aim is to increase awareness of CSR in Ireland, including the range of potential benefits for enterprise as well as wider society, and to further embed CSR activity within enterprises, particularly SMEs.

A CSR Stakeholder Forum has been established to drive the actions and recommendations contained within the National Plan. The Forum membership includes a range of business representatives, relevant Government Departments and Agencies, and representatives of the voluntary sector and academia. It is chaired by Mr. Brendan Jennings, Managing Partner, Deloitte. The first meeting of the Forum was held on 24th June.

The Unit also services the EU Commission High Level Group on CSR, which generally meets 2-4 times per year.

Next steps/  
timeframe      The CSR Stakeholder Forum will hold 2 further meetings in 2014, on 30th September and 25th November. The agenda for these meetings has yet to be finalised but will focus on furthering the objectives laid out in the National Plan.

Officials:      A/Sec: Clare Dunne, ext 2186      PO: William Parnell, ext 2345

Item:      **Progress the access of SMEs to public procurement with Enterprise Ireland and the Office of Government Procurement**

**Summary:** The public sector has an immense purchasing power, spending in the region of €8.5 billion per annum on goods and services in addition to expenditure on public works. This level of expenditure by the public sector affords significant business opportunities for firms that can supply the products and services that are required by public bodies.

At the same time, the Government continues to seek improvements in efficiency and value for money in the procurement process. As part of the Public Service Reform Plan, the Government is committed to reforming the public procurement process to deliver greater value for money through increased use of common procurement frameworks, centralised purchasing, increased professionalism and more innovative use of technology. The Government has established an Office of Government Procurement (OGP) as an independent body under the aegis of the Department of Public Expenditure and Reform to drive a new consolidated and integrated approach to public procurement.

However, this reform presents new challenges for SMEs in particular. Suppliers will need to adapt to this changing approach and examine the potential for increased use of joint tendering, where appropriate, to compete for aggregated contracts. Enterprise Ireland (EI) and the OGP continue to assist SMEs to improve their capacity to tender for public contracts in this new scenario. EI also continue to help indigenous companies to identify procurement opportunities in overseas markets and help build their capability to compete for those contracts. Competitiveness Unit works with EI and the OGP to ensure that SMEs can participate in Government tendering to the greatest possible extent and that the concerns of SMEs are taken into account in the development of procurement policy.

Procurement can also be an enabler of private sector innovation. The purchase of innovative solutions by public bodies to meet their needs can support the drive to reduce costs in procurement budgets. Winning public sector contracts with innovative solutions also serves as an important reference point for companies who wish to sell those products or services in overseas markets. However, for this mutually beneficial outcome to be realised, there is a need for contracting authorities in Ireland to become more open to procuring innovation.

**Next steps/  
timeframe** Competitiveness Unit participates on a High Level Group on SME Access to Public Procurement, which is chaired by the Chief Procurement Officer, Paul Quinn. Competitiveness Unit is also represented at the OGP's Working Group on SMEs and Procurement, which includes the business bodies representing SMEs as potential suppliers. The Department is seeking, through its representation on these groups, to ensure that any administrative barriers to SMEs' participation in procurement are minimised and that innovation in goods and services is encouraged.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: William Parnell, ext 2345

**Item:** **Finalise the legislative changes required to give effect to the integration of Forfás into the Department**

**Summary:** The Industrial Development (Amendment) Act 2014 has now passed all stages in the Oireachtas and is in the process of being enacted. Commencement Orders are in the process of being prepared for the Minister to sign, which will transfer the staff of the Irish National Accreditation Board to the Health and Safety Authority, assign the staff currently working in Enterprise Ireland and IDA Ireland to those agencies as employers in their own right, and transfer the staff in Forfás to the Department of Jobs, Enterprise and Innovation.

There are also a number of administrative arrangements involved in the transfer of Forfás staff into the Department, which are being implemented by the relevant sections (mostly in Corporate Services Division), but are overseen by an Implementation Team. Competitiveness Unit sits on the Implementation Team, which is Chaired by the Secretary General and involves relevant staff from both the Department and Forfás.

**Next steps/  
timeframe** The Minister for Jobs, Enterprise and Innovation will sign the relevant Commencement Orders in July to facilitate the various transfers of staff. A Dissolution Order will also be signed, dissolving Forfás with effect from 1st August 2014.

It is expected that the staff in Agencies other than Forfás will be formally transferred from Forfás (as the employer) to their new employer in mid-July. Forfás staff will start to be transferred into the Department from the start of July.

**Officials:** A/Sec: Clare Dunne, ext 2186 PO: William Parnell, ext 2345

**Item:** **Provide the Department's input to the agenda of relevant Cabinet Committees and Senior Officials Groups (i.e. Economic Recovery & Jobs, Climate Change & Green Economy, and Economic Infrastructure) to ensure that the Department's/Minister's objectives are progressed at that level**

**Summary:** The Competitiveness and Climate Change Unit attends the preparatory Senior Officials Groups for 3 Cabinet Committees, and supports the Minister and Secretary General's attendance at those Cabinet Committees. The Taoiseach generally schedules all Cabinet Committee meetings for a single Monday every month. The 3 Committees are:

- Cabinet Committee on Economic Recovery and Jobs (CCERJ)
- Cabinet Committee on Climate Change and the Green Economy (CCCCGE)
- Cabinet Committee on Economic Infrastructure (CCEI)

The Minister for Jobs, Enterprise and Innovation is the convenor (i.e. sets the agenda) of the CCERJ. The Minister for Jobs, Enterprise and Innovation attends all 3 Cabinet Committees.

The Minister of State for Science and Innovation attends the CCERJ and the Cabinet Committee on Climate Change and the Green Economy.

The Minister of State for Small Business attends the CCERJ only.



Next steps/  
timeframe

The CCERJ meets on a monthly basis. The CCEI tends to also meet on a monthly basis. The Committee on Climate Change and the Green Economy meets less frequently, but on average meets 4 times a year.

The next Cabinet Committee ‘Super Monday’ is expected to be held in early September

Officials:

A/Sec: Clare Dunne, ext 2186

PO: William Parnell, ext 2345

## 2.2 Innovation and Investment

### Dermot Curran, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
STI Policy, Industry R&D & Finances	Pauline Mulligan
EU/International STI & SFI Liaison	Aidan Hodson
Inward Investment, North South and Tax Policy	Stephen Curran
Intellectual Property Unit	Anne Coleman Dunne

**Item 1:       Overseeing national arrangements to maximise participation in EU funding including Horizon 2020, ESIF; and INTERREG**

**Summary:** Government agreed a Strategy and set a challenging target of €1.25 bn for receipts by Irish participants in Horizon 2020 over the programme period 2014-2020. DJEI chairs a high level group (HLG) of Departments and Agencies overseeing implementation of the strategy and ensuring that the necessary steps are taken by all stakeholders to achieve the target. DJEI also works with National Support Network, managed by National Director for H2020, on providing the necessary supports for participation.

The importance of North/South collaboration in research and innovation is recognised by both Administrations North and South and the alignment of support structures means that there is now a strong basis on which to grow cooperation to mutual benefit. InterTradeIreland, the North South trade and business development body, has prepared a Strategic Action Plan for NS Cooperation in Horizon 2020.

The Strategic Action Plan sets out the rationale for a North/South Horizon 2020 target of €175million and actions for cooperation which will support the achievement of both administrations’ internal priorities in respect of participation in Horizon 2020.

**Next steps:** Quarterly meetings of High Level Group; finalisation of Table of Actions by Dept’s/Agencies and ongoing monitoring of these actions by HLG; disaggregation of target in order to further clarify key opportunities and challenges; mobilisation of enhanced participation through identifying strategic opportunities at significant scale for Ireland.

The All-Island Steering Group will be updated on NS progress and activity and will continue to oversee the development of this work. InterTradeIreland is organising this year's 'Collaborate to Innovate' Conference in Dublin Castle on 3 December. The theme will be "Horizon 2020 Support Activities".

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Aidan Hodson X 2267

## **Item 2: Implementation of Research Prioritisation**

**Summary:** In February 2012, the Government agreed to the implementation of the recommendations in the Report of the Research Prioritisation Steering Group as a whole of Government policy goal. The report recommended the alignment of the majority share of competitive State funding in research and innovation for the next five years with the 14 areas of opportunity identified by the Steering Group. The areas were identified on the basis of existing strengths of the enterprise base, opportunities that exist in terms of the global marketplace and those which are most likely to deliver economic and societal impact, and jobs. The report also identified 13 systemic recommendations to improve the efficiency and effectiveness of the STI system in order to support the implementation of prioritisation. Following publication of the report in March 2012, the Prioritisation Action Group (PAG) was established, under the chairmanship and political leadership of the Minister for Research and Innovation, to drive implementation of research prioritisation, and includes representatives of all research funders and relevant Government Departments. Since then, a framework for monitoring the impact of STI investment including the impact on the 14 Priority Areas has been developed in addition to Action Plans for each of the 14 Priority Areas.

**Next steps:** The Action Plan for Jobs 2014 contains a commitment to continue to drive implementation of research prioritisation through the Government's Prioritisation Action Group. Quarter 2 Commitments have been delivered as follows:

- (a) Publish a report on progress on the targets and metrics in the Framework for Monitoring Public Investment in Science, Technology and Innovation;
- (b) Publish first progress report on Action Plans for the 14 Priority Areas.

The report was published on 4 July 2014. PAG will continue to drive implementation of research prioritisation. Q3 and Q4 will see the focus turn to undertaking an independent assessment of progress in the implementation of research prioritisation.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

**Item 3: IDA Funding; New IDA Strategy 2015-2020**

**Summary:** The Department is engaged in the final stages of a Comprehensive Expenditure Review of both its Current and Capital requirements. The potential impacts of various scenarios for both reductions and increases in allocation have been articulated in respect of IDA. In summary, a cut in either budget would mean a significant impact on outputs by the agency resulting in a reversal of the upward trend on job creation and investment, with the agency having to cut key promotional activities and reversing funding decisions on new initiatives such as Winning Abroad and Succeed in Ireland. An increase to the Capital budget however, would enable the agency to fund these initiatives going forward, introduce some new initiatives in respect of LEAN transformation and property provision

The IDA strategy for the five-year period 2010-2014 is coming to conclusion this year, with significant success to date on achieving the ambitious targets set for the period. A key policy issue is to formulate and agree on a new IDA strategy for the next five year period, 2015-2020 that both builds on successes to date and embarks on new ambitions. The financial resources that will be available to the agency for the next number of years will have impact on the level of ambition that can be committed to.

Over the course of the five year strategy 2010-2014, IDA secured 582 investments to the end of 2013, against a target of 640 (91%) to end of 2014 and have delivered an increase in job gains of 50,054 against a target of 62,000 (80%), with an economic impact of 85,091 jobs. In the critical measure of net jobs, IDA has delivered 21,111 jobs against the target of 25,000 (84%), 35,888 impact against a target of 42,500. Employment in IDA companies at the end of 2013 was 161,112, an all-time high. In addition, employment in the FDI portfolio of 55 companies transferred from Shannon stood at circa 5,000 jobs at 1 January 2014.

IDA's half year results for 2014 were announced on 7 July and show a strong performance in the first half of the year. Over 100 investments were secured in the first 6 months of 2014 against a target of 155 for the year. The projects approved will lead to the creation of 8,000 jobs this year and in future years as companies roll out their investment plans. The key policy issue is to formulate and agree on a new IDA strategy for the next five year period, 2015-2020 that both builds on successes to date and embarks on new ambitions.

**Next steps:** Continue to engage with the Estimates process internally with Corporate Service Division in order to influence decisions about the distribution of future budgets.

Forfás has completed an in-depth analysis of Ireland's FDI strategy to take account of factors such as key trends emerging in FDI best practice internationally, Ireland's strengths in attracting FDI and the changes to the EU's State Aid Rules, which come into effect on 1 July 2014. In addition, IDA Ireland and Enterprise Ireland are working with the Department to develop a framework for a Regional Enterprise Strategy to better integrate the efforts of enterprise agencies and the other regional stakeholders in building enterprise based on sustainable competitive advantage of the regions. The results of these two exercises will form the basis of IDA Ireland's strategy from 2015 onwards, for publication in early 2015.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Stephen Curran X 2125

**Item 4: Ratification by Ireland of the international Agreement setting up a Unified Patent Court to adjudicate on patent litigation.**

**Summary:** Agreement has been reached at EU level to introduce a "patents package". This includes a new European unitary patent providing uniform patent cover in 25 EU Member States on the basis of a single application process and on payment of a single set of fees. This is expected to result in significant financial and administrative savings in particular for the SME sector. The enforcement mechanism for the unitary patent system will be a new international court: the Unified Patent Court. This will provide a streamlined single legal process to decide on the validity or infringement of a patent throughout the participating 25 EU Member States. The Agreement setting up the Court is not mandated by our EU membership and, as it involves the transfer from the Irish Courts of jurisdiction for patent litigation in the context of the Agreement, a Constitutional Referendum is required as this runs counter to the current Constitutional position.

Following consultation with the relevant Government departments, enterprise agencies and stakeholders, a submission was made to the Minister with a recommendation on the nature of Ireland's proposed participation in the Court, subject to the carrying of a Referendum. The system allows Member States a number of options in terms of participation in the Court: to confer jurisdiction on the central Court seat to be based in Paris with specialised sectors in London and Munich; to join with a number of other Member States in setting up a regional division of the Court or, to establish a local division of the Court in Ireland.

**Next steps:** Preparation for the establishment of the court and implementation of the unitary patent system will continue at EU and domestic levels, including amending the Patents Act, with a view to the unitary patent and the Court coming into effect by early 2016.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Anne Coleman-Dunne X 2144

**Item 5: Science Foundation Ireland (SFI)**

**Summary:** SFI invests in academic researchers and research teams who are most likely to generate new knowledge and leading edge technologies. By funding scientific research with impact, SFI plays a pivotal role in enhancing Ireland's human capital in strategic areas of scientific endeavour relevant to the competitiveness of Irish based enterprise.

SFI programmes form a key element of our drive to boost Ireland's international competitiveness and attract foreign direct investment. FDI, in turn, is a key stimulator of the Irish economy through job creation and contribution to Exchequer finances.

SFI's budget allocation for 2014 is €153.5m, which includes €9m of capital carryover.

SFI's funding model involves close management of existing multi-annual grant awards - typically 75 - 80% of SFI's annual funding goes to existing multi-annual commitments. The model needs to take into account timing issues involving new calls for proposals, the quality and strategic relevance of proposals submitted, progress on and the status of their c. 680 existing awards, indicative future levels of capital supports that could be made available to the Foundation, and the likely industry and partner contributions on certain programmes.

The SFI board includes departmental representatives from this department (Mr Dermot Curran, Assistant Secretary) and the Department of Education and Skills (Ms Mary Doyle, Assistant Secretary). In accordance with its establishing legislation, each year, in July, the two longest serving SFI Board members are asked to stand down and appointments (or reappointments subject to a maximum term of 10 years) are made.

**Next steps:** Ongoing engagement with SFI through liaison and support to the Board. The Department will be aiming to secure an increase in the SFI budget by 4% over its 2014 total allocation of €153.5m, bringing it to c. €160m. In July 2014 two board members will stand down and an exercise is underway to identify suitable replacements for appointment.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Aidan Hodson X 2267

**Item 6: Structural and infrastructural issues in Research EcoSystem**

**Summary:** Following a decade and half of investment in STI system, a number of changes have taken place in recent years such that is now appropriate to consider whether institutional change is required to ensure coherence and accessibility of the research centre landscape. As a result of investment to date we now have a sophisticated landscape of research centres supported through competitive calls by SFI and EI. While it is crucial to provide a comprehensive range of research centres which can support companies along all points of the research continuum from basic to applied it is equally important to ensure clarity regarding the different types of offering of the different centres and ensure ease of access to these centres. Some measures have been taken to improve the coherence of the research centres landscape.

**Next steps:** Extensive mapping of centres and their allocated funding allocated has taken place. DJEI is currently in dialogue with SFI and EI to ensure coherence and coordination of approach between the two agencies. The development of a new Strategy for Science, Technology and Innovation could comprehend a pillar addressing “Optimum Organisational / Institutional arrangements to deliver jobs through Innovation.”

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

**Item 7: Ireland’s Enterprise Tax Offering**

**Summary:** Key to enterprise development is ensuring that Ireland has a competitiveness tax offering to attract Foreign Direct Investments and any tax changes minimise any increases in enterprise costs.

A pre-budget submission is submitted to the Minister of Finance to ensure that the tax priorities of the Minister for Jobs, Enterprise and Innovation and the enterprise development agencies form an integral part of the 2015 budgeting process.

Ireland’s 12.5% Corporation Tax rate is a strong brand name that forms the cornerstone of Ireland’s International Tax Offering. (Ireland’s 12.5% rate relates to trading activities only, with a higher 25% rate applying to non-trading activities.) Any suggestion of an increase to Ireland’s 12.5% rate, would have very significant adverse implications for Ireland’s attractiveness as a location for internationally mobile investment and would have a downward effect on Ireland’s future rate of economic growth. Ireland has a competitive corporate tax rate, which is applied to a broad base – a policy promoted by the OECD.

The problem of aggressive tax planning by multinational companies is a global issue and the way to deal with it effectively is through the OECD Base Erosion and Profit Shifting project, or BEPS as it has become known.

Ireland is committed to both the OECD BEPS process and the ongoing work at the EU to deal with these issues. As part of our EU Presidency last year Ireland prioritized work in this area and achieved significant progress. Ireland has welcomed the new OECD Common Reporting Standard for Automatic Exchange of tax Information, which was inspired by the US Foreign Accounts Tax Compliance Act, and we are one of the 42 jurisdictions that have already committed to early adoption of this standard.

The Government published “Ireland’s International Tax Strategy” as part of Budget 2014. This document sets out Ireland’s strategy in relation to a wide variety of international tax issues. It also includes an International Tax Charter which sets out Ireland’s policy objectives and commitments on these international tax issues.

**Next steps:** The 2015 pre-budget submission is currently being finalised.

The OECD BEPS Action Plan, published in July 2013, sets out 15 actions to deal with the problems of tax base erosion and profit shifting. The action plan sets out a timetable for the completion of actions with deadlines of September 2014, September 2015, and December 2015 respectively.

As a result of this work, the OECD may change its international tax guidelines and make recommendations regarding mismatches which exist between different countries’ rules, which countries would then have to consider implementing in their national legislation or tax code. DJEI Tax Policy area will continue to liaise with Department of Finance and IDA regarding this matter.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Stephen Curran X 2125

**Item 8: Evaluation of the recommendations of the Copyright Review Report**

**Summary:** The Report of the Copyright Review Committee – an independent Committee appointed by the Minister in May 2011 – was published in late 2013. The Report is entitled “Modernising Copyright” and was commissioned arising from concerns that the copyright regime might present an obstacle to innovation and was in need of updating for the digital age. The Committee has made 60 plus recommendations across a wide spectrum of copyright issues including substantive proposals to e.g. develop the full range in Ireland of exceptions and limitations that are provided for in the EU governing Directive – the Copyright directive; to introduce a new “Innovation” exception to the law



to allow for the development of innovative products without the fear of infringing prior acquired rights and, to implement to some extent, the concept of “fair use” which is well-known in the USA but not in the European context.

**Next steps:** Examination of the Report and its recommendations is ongoing in the Department with the internal legal adviser and with the office of the Attorney General as a significant number involve issues of legal competence in terms of Ireland’s position vis-à-vis the EU acquis in Copyright. It is expected that the outcome of the examination will give rise to proposals for legislative reform in the copyright area that will need Government approval and primary legislation.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Anne Coleman-Dunne X 2144

**Item 9: EU issues – European Research Area (ERA); Joint Programming Initiatives (JPIs)**

**Summary:** European research policy is aimed at supporting European jobs and growth, in particular the Europe 2020 Strategy and the Innovation Union flagship initiative (one of 7 flagship initiatives within the Europe 2020 Strategy). With adoption of the Horizon 2020 programme, €80 bn will be invested from the EU budget in the period to 2020 in research and innovation - a 30% increase over the previous period. To make further progress towards the Europe 2020 R&D investment target of 3 % of GDP, EU policy urges governments across Europe to continue investing in research and innovation. These issues are reflected in the concept of achieving the European Research Area involving acceleration of the modernisation of national research systems.

Joint Programming is a voluntary partnership between Member States (and associated countries) that aims to tackle major but common European societal challenges by combining national research programmes and thereby making better use of Europe's limited public R&D resources. It is a structured and strategic process whereby Member States agree, on a voluntary basis and in a partnership approach, on common visions and Strategic Research Agendas to address major societal challenges. Member States commit to Joint Programming Initiatives (JPIs) where they implement together joint Strategic Research Agendas.

A number of JPIs are now mature enough to begin implementation of research strategies, with funding implications for the Irish agencies involved as JP member countries.

**Next steps:** The Italian Presidency in the 2nd half of 2014 will continue focus on increasing the impact of research and innovation for growth and advancing the

European Research Area. Ongoing attendance at meetings of the National Steering Group on Joint Programming.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Aidan Hodson X 2267

**Item 10: Development of new Strategy for Science Technology and Innovation**

**Summary:** The current Science, Technology and Innovation (STI) Strategy expired in 2013. Consideration is being given to a new strategy to be developed which would embed Research Prioritisation further and complement and contribute to other key Government initiatives including the Action Plan for Jobs, the Medium-Term Economic Strategy, the Triennial Review of Enterprise Policy, the Higher Education Performance Framework, the new National Spatial Strategy, the EU Smart Specialisation Strategy, the IP Protocol and the National Reform Programme.

**Next steps:** DJEI is currently engaging with OECD to explore possible pieces of work which they could undertake which would feed into the new strategy.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

**Item 11: IDA's Winning Abroad programme**

**Summary:** The 2014 APJ includes the commitment of additional resources to IDA Ireland aimed at increased market presence and consequential delivery of an additional 10,000 new jobs (6,000 direct and 4,000 indirect) over a five year period, over and above the annual jobs target of 13,000.

Drawing extensively from IDA's existing investment in its overseas office infrastructure, IDA are establishing a 3 year Programme with the following objectives:-

- Deliver 10,000 additional jobs over the FDI commitments in the Action Plan for Jobs
- Broadening of the base of FDI activities from which IDA currently wins investments
- Develop & bring to the marketplace a range of value propositions for new forms of FDI based on primary research completed to date
- Enhance Ireland position & market share in the face of intense international competition for investment from emerging companies
- Grow the contribution from growth markets beyond the 20% targets contained in Horizon 2020
- Focus on more export intensive investments

These objectives will be delivered by capitalising on opportunities IDA Ireland has identified including:

- New Forms of FDI
- Emerging Companies
- Developed Markets (North America and Europe) with focus on employment intensive services & manufacturing activities with high export potential Growth Markets

**Next steps:** IDA is currently recruiting for 35 additional posts for both Ireland and overseas offices, on a contract basis, to deliver this initiative. Funding for 2015 and future years will need to be secured this Summer as part of the Estimates process to ensure that success of the programme is not hampered from the outset.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Stephen Curran X 2125

**Item 12: Negotiation and adoption at EU level of proposals for reform of the system of trademark protection.**

**Summary:** The current package of reform proposals on trademarks aim to modernise and improve the system, increase legal certainty and clarify trade mark rights in terms of their scope and limitations and achieve greater convergence between national trade mark laws and the Community trade mark system.

Broadly speaking, the proposals are welcomed by Ireland as being positively disposed in terms of the business community here. Innovative, export-oriented companies require a predictable and consistent legal and regulatory environment across Europe within which they can exploit the competitive advantage of their intellectual property rights (IPR) without undue expense and onerous administrative burden.

**Next steps:** In May 2014, the Greek Presidency tabled new compromise proposals involving the Regulation and the Directive. Discussion is ongoing and there are a number of issues yet to be agreed. The proposals will now be taken forward by the Italian Presidency with a view to getting agreement on the texts in Council. Work will then moves to trilogue negotiations with the European Parliament perhaps later this year.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Anne Coleman-Dunne X 2144

**Item 13: Bilateral issues – (including UK-IE cooperation)**

**Summary** Ireland’s bilateral cooperation on research with priority third countries is closely linked to Science Foundation Ireland’s International Strategic Collaboration Award (ISCA) Programme. ISCA supports new and existing research-based collaborations between Ireland’s Higher Education Institutions (and partner organisations in four designated countries: Brazil, the People’s Republic of China, India, and Japan—termed collectively as the “Partner Countries”).

In the context of the Ireland – Russia Joint Economic Commission (JEC), a draft Agreement on cooperation in Science & Technology is currently being considered by both countries. This would essentially be a framework or facilitative agreement without commitment to joint funding of research at this stage.

The Work Programme for IE-UK Cooperation includes further collaboration in R&D to maximise access to Horizon 2020 funding and implementing a formal structure to manage this; as well exploring further the possibility of potential joint funding by SFI and UK based research councils between researchers in Ireland and UK including NI.

**Next steps:** Work on IE-UK Cooperation issues ongoing. Russian JEC may be ready for completion by end 2014 - latest draft of proposed text currently with Russia for consideration.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Aidan Hodson X 2267

**Item 14: Initiatives to support company innovation and leverage the commercial potential of Ireland’s State funded, cutting-edge research**

**Summary:** A Budget of €123.2m has been provided to EI for RDI activities in 2014. These include:

1. Programmes to support collaboration between industry and the higher education sector (Technology Centres, Technology Gateways, Innovation Partnerships and Innovation Vouchers);

2. Programmes to support company research and development; and

Programmes to support commercialisation of State funded research, such as the Commercialisation Fund and the newly established Knowledge Transfer Ireland Office, which will make it easier for business and investors to engage with the research system by streamlining processes and simplifying contracts that underpin business and research collaboration.

**Next steps:** The specific targets above are being incorporated and finalised as part of Enterprise Ireland's new Corporate Strategy and Service Level Agreement for 2014. Knowledge Transfer Ireland will introduce a broader range of knowledge transfer key performance indicators for Ireland's HEI sector (Q4 APJ 2014 action).

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

**Item 15: Review of Funding models for Succeed in Ireland Initiative**

**Summary:** At the Global Irish Economic Forum in October 2012, , as initiative was proposed to use “referral marketing” techniques in the area of foreign direct investment , to generate leads and open up an alternative avenue to attract new FDI companies, mainly from the SME sector, to set up in Ireland.

To put this programme in place, IDA Ireland was asked to develop a suitable programme by identifying the best workable model to generate projects and jobs while ensuring compliance with the various governing EU & National laws and regulations.

A procurement process was undertaken by IDA to select an organisation to run the programme, the process included publication in E-Tenders and the OJEC. The Taxback Group won the contract. Connect Ireland was established by the Taxback Group to promote and deliver the project in collaboration with IDA. The programme involved a referral marketing process which included a financial reward to encourage a broad Diaspora and others to work for Ireland in finding foreign investment.

Connect-Ireland has funded a significant marketing campaign to raise awareness of this initiative and to promote its willingness to pay a Finder's fee for a lead to a project which results in sustainable employment in Ireland. Connect-Ireland has an established online marketing campaign, continues to run events overseas to promote the programme, and has also placed advertising in key locations e.g. airports. The cost to date of these promotional activities

and the running costs of Connect Ireland is in the region of €3.5 million and have been covered by the Taxback Group. No Exchequer funding has yet been expended.

The initiatives initial aim was to create up to 5,000 jobs within 5 years, this was a demanding target, currently approximately 150 jobs are in place from this programme. The net savings to the Exchequer which are realisable from a successful roll out of the Succeed in Ireland project will be €96.41m over 5 years. These calculations are based on information received from Forfás, which established the value of a job in terms of tax take and reduced social welfare payments.

**Next steps:** The programme has been run as a pilot project since its inception and the contract between Connect Ireland / IDA is currently under review. DKM Economic Consultants have carried out a full review of the Succeed in Ireland initiative and also evaluated a number of potential alternative business and funding models. IDA and Connect Ireland are currently in negotiations with the objective of agreeing an improved operational and financial business model which will support the continuation of this programme which is still based on delivering these 5,000 jobs within 5 years.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Stephen Curran X 2125

**Item 16: Patents Office Liaison and governance**

**Summary:** The Patents office is an office of the Department and undertakes certain statutory functions in relation mainly to the registration of patents, designs and trade marks. It is located in Kilkenny. The Department (Intellectual Property Unit) is the liaison unit and first point of contact for the office and has negotiated a Memorandum of Understanding with the office in respect of the services to be provided by the office and the exchange of information between the Department and the office. The Controller was appointed in October 2013 for a 5-year period.

**Next steps:** There are no immediate issues in relation to the office which is working well with the Intellectual Property Unit in terms of the new unitary patent system to be introduced by early 2016 and the rules and fees that will accompany that regime as well as any necessary legislative changes to domestic law.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Anne Coleman-Dunne X 2144

**Item 17: Consideration of possible future research infrastructure funding needs following completion of PRTL I 5**

**Summary:** There are currently no plans in place for further research infrastructure investment following the completion of PRTL I Cycle 5. Given the ongoing evolution of research priorities and capacity as well as the depreciation of existing infrastructure, the question of renewal and replacement of infrastructure and the need for new investment arises.

**Next Steps:** In the first instance there will be a review by HEA of PRTL I Cycle 5 and this will help inform future needs for the infrastructure landscape.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Aidan Hodson X 2267

**Item 18: Sectoral Strategies – Space, Health & Marine**

**Summary:** OSTI engages in a range of sectoral issues but three in particular require a deep dive approach, namely, Health, Space and Marine. In the **Space** area OSTI manages Ireland’s annual investment of €17m in the European Space Agency (ESA) with EI expertise - which allows for the placement of R&D contracts to Irish industry and research groups – and is also responsible for EU space policy. In the **Health** area OSTI is driving establishment of a Health Innovation Hub (HIH) which was a disruptive reform in APJ 2013 and features heavily in this year’s APJ. Following evaluation of a pilot project for the health hub in Cork and recommendations made by the National Project Team for the HIH, Government agreed on 1 July to establishment a national hub, subject to funding being secured as part of the Estimates process. The purpose of the HIH is to drive collaboration between the health system and commercial enterprises leading to the development and commercialisation of new healthcare technologies, products, and services, emerging from within the health system and/or enterprise. In the **Marine** area, OSTI represents DJEI on the Marine Co-ordination Group (MCG), chaired by the Minister for Agriculture, Food & Marine, hosted by the Department of the Taoiseach with members from 7 other Government Departments. The MCG drafted the integrated marine plan – Harnessing Our Ocean’s Wealth – and is responsible for driving and monitoring its implementation.

**Next steps:** A key issue with **ESA** is the reclassification of this funding from current to capital on the basis of an EU Regulation which has just come into effect. It is also proposed to transfer this budget line to Enterprise Ireland from 2015 along with some administrative functions. An evaluation of the economic impact of ESA investment will be completed by November 2014 and the next ESA Ministerial Council will be in Luxembourg on 2 December. On the **Health** Innovation Hub funding of €1m p.a. needs to be secured to establish the

national hub and this case has been made in DJEI's submission to the Comprehensive Review of Expenditure recently to DPER. Once funding is secured a Joint Agency Project Team (enterprise agencies & HSE) will be established to design the competitive call which will be issued to HEIs to host the hub. Other governance arrangements will also be put in place. The first annual **'Our Ocean's Wealth'** conference on 18 June dovetailed publication of the 1<sup>st</sup> progress report on implementation of the integrated marine plan. A study by the Expert Group on Future Skills Needs in marine skills is due to be completed before the end of 2014.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

**Item 19: Review of Funding models for NIBRT**

**Summary:** NIBRT, the National Institute for Bioprocessing, Research and Technology was established in 2005 and is a limited company in the ownership of the 4 participating academic institution, UCD, Trinity College, DCU, and Sligo IT. The facility is located in the UCD Industry Park Belfield. NIBRT was born from the need to put in place in Ireland a state of the art industry focused centre of excellence focused on education, training and research in bio-manufacturing & bio-processing technology, so as to maximise FDI investment from the sector.

The NIBRT facility is a globally unique facility that can offer Ireland a major competitive advantage in developing a pipeline of skilled workers and graduates with hands on experience of real world equipment and regulatory understanding for the biopharma industry. It also includes a BioPharma Research function. NIBRT is strongly supported by the biopharma industry.

NIBRT is grant aided by the State through IDA Ireland. The original grant approved was €72m but, by Government decision dated 11 April 2013, the Government reduced to an amount not exceeding €57.3m. That funding stream expires at the end of 2014.

While NIBRT's financial position has been steadily improving, the latest financial projections would indicate an on-going fund deficit of €700,000 remains and will remain for the foreseeable future. This deficit has reduced from €1.6 million to €700,000 following the recent implementation of a significant number of cost cutting measures and will be met by funds provided by IDA as referred to in the previous paragraph.

NIBRT consists of a BioPharma training facility/pilot plant and a BioPharma Research facility which carries out contract research for industry. This combination of activities makes it unique however it also ensures that it does not particularly fit into current funding models for training or research.



NIBRT has engaged consultants to review its operations and to assist in the drawing up of a business plan for the next 3 to 4 years to look at alternative funding model within the wider business environment to sustain its business into the future. IDA and the Department are working closely with NIBRT in this endeavour. The consultant's final report was presented to the CEO of NIBRT on the 15<sup>th</sup> of May.

Consideration is being given by NIBRT, IDA and DJEI regarding what structure this organisation should have going into the future and how best any funding gap can be bridged.

**Next steps:** A new funding and business model is currently being developed for NIBRT by its board and will be put in place before the end of Q3 2014 to ensure the continued growth and operation of this organisation.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Stephen Curran X 2125

**Item 20: Public Health (Standardised Packaging of Tobacco Products) Bill 2013**

**Summary:** The Public Health (Standardised Packaging of Tobacco) Bill 2014 is currently going through the Houses of the Oireachtas. Plain packaging means that all forms of branding – trademarks, logos, colours and graphics – would be removed, except for the brand name presented in a uniform typeface with cigarette packs in a plain neutral colour, except for mandatory health warnings. The objective is to deter the practice of smoking and reduce smoking levels.

On 17th June 2014, following the publication of the Bill, formal notification of its publication was made to the European Commission and its Member States under technical standards requirements as well as under rules governing technical barriers to trade within the World Trade Organisation (WTO). Currently, there is before the WTO a complaint against Australia, the first country in the world to introduce plain packaging, by a number of tobacco producing countries who contend that the measure is contrary to three aspects within the WTO family: the TBT Agreement, the General Agreement on Tariffs and Trade and, the TRIPs Agreement. A single panel has been appointed to examine the complaints.

**Next steps:** Ireland might expect to have (a) a constitutional challenge and, (b) to have complaints against it at the WTO, by tobacco producing countries. As trade is a competence of the European Commission, any action before the WTO will be contested by the EU on Ireland's behalf but with necessary input and backup support from Ireland (see also Section 2.5 on Trade Policy).

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Anne Coleman-Dunne X 2144

**Item 21: STI Budgets**

**Summary:** Capital budgets for the main R&D Agencies, SFI and EI, have decreased significantly in recent years, from a combined total of €296m in 2008, down to €255m in 2014 (-14%<sup>1</sup>). In recent years, there has been an over reliance on capital carryover to mitigate against the severity of these cuts. However, capital savings are unlikely to arise in future years and this presents a significant challenge in terms of sustaining the funding for STI capital programmes aimed at driving innovation within Irish firms and creating sustainable jobs.

DJEI's Comprehensive Expenditure Review, submitted recently to DPER, includes strong argumentation for an increased STI capital allocation. Furthermore public investment in R&D must now see an upward trajectory between 2015 and 2020 if the research intensity target, under EUROPE 2020 (2.5% of GNP (roughly 2% of GDP) by 2020), is to be reached - this is particularly so as the economy recovers and GDP/GNP continue to rise.

**Next Steps:** Next steps involve consideration, by DPER, of the DJEI response to the Comprehensive Expenditure Review and the allocation, by DPER, of a multi-annual capital envelope for DJEI from 2015 to 2020. Thereafter, DJEI will consider the breakdown of the overall DJEI 2015 capital allocation to STI budget lines.

**Lead officials:** A/Sec: Dermot Curran X2141 PO: Pauline Mulligan X 2236

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<sup>1</sup> Excluding capital carryover of €17m in 2014, which reduces the extent of this decrease to -8%

## 2.3 Commerce, Consumers and Competition

### Breda Power, Assistant Secretary

Business Unit in the Division	Head of Unit (Principal Officer)
Competition and Consumer Policy Section	Kieran Grace
Company Law	Helen Curley (Policy and Agencies/Offices) Pat A Houlihan (CLRG,EU including Audit and Accounting) Elaine Cassidy (Companies Bill 2012)
Business Regulation	Helen Curley
Cooperative Legislation Unit	Maire Ni Chuire AP (PO Vacancy)
PIAB Liaison	Maire Ni Chuire AP (PO Vacancy)

### Brief Information on Commerce Consumer & Competition Division's

#### Key Priorities

**Item:** Competition and Consumer Protection Bill 2014

**Summary:** This Bill will, inter alia, merge the National Consumer Agency and the Competition Authority, update competition and consumer protection law, implement recommendations of the Advisory Group on Media Mergers and provide for enabling provisions to regulate certain practices in the grocery goods sector. The provisions reflect the Programme for Government commitments on the introduction of fair trade legislation and the merger of the National Consumer Agency and the Competition Authority (in the context of agency rationalisation).

**Next steps/ timeframe:** This Bill was published on 31 March and has passed all Stages in Dáil Eireann. The Bill completed Second Stage in the Seanad on 8 July, and Committee Stage is scheduled for 10 July. It is hoped to have the Bill enacted by the summer recess.

**Lead officials:** Asst. Sec. Breda Power x 2609; PO: Kieran Grace x 2676

**Item:** Regulation of Certain Practices in the Grocery Goods Sector

**Summary:** Once the Competition and Consumer Protection Bill 2014 is enacted and commenced, there will be a requirement to issue regulations, as provided for in the Bill, on certain practices in the grocery goods sector. A commitment was made by Minister Bruton during Second and Committee Stage in Dáil Eireann to bring in these regulations as soon as practicable after the enactment of the Act. To this end, a commitment was also given to bring draft regulations to the relevant Oireachtas Committee in advance for the Committee's input. Given the polarity of views and expectations of the different stakeholders (farmers, suppliers and retailers), it is anticipated that there will be little agreement amongst the stakeholders on the adequacy of the regulation's provisions no matter what they include. There is also a requirement to draw-up an RIA in respect of these regulations.

**Next steps/  
timeframe** Work on the draft regulations is already underway. The final versions of the draft will be influenced by the discussions as the Bill makes its way through the Oireachtas and on the reaction of the different stakeholders to the process.

**Lead  
officials:** Asst. Sec. Breda Power x 2609; PO: Kieran Grace x 2676

**Item:** Consumer Product Safety Regulation and Market Surveillance Regulation Package

**Summary:** The Commission adopted a package in the area of consumer protection and the Single Market at the February 2013 Competitiveness Council. The package included a Consumer Product Safety Regulation (CPSR) – to improve the safety of products circulating in the EU – and a new Market Surveillance Regulation (MSR) – aimed at strengthening market surveillance provisions in respect of products entering the EU.

The two legislative measures could be regarded as two sides of the one coin: on one side is pure consumer protection (making sure products meet certain safety standards) while on the other is the role of market surveillance authorities in ensuring operators abide by the product safety rules and ensure that compliant manufacturers and operators are not put at a competitive disadvantage by non-compliant manufacturers and operators putting dangerous goods on the EU market. The proposals are also linked to a recent revision in the standardisation measures at EU level. The proposals form part of the SMA II package.

On the CPSR proposal, outside of the discussions on definitions, an impasse has been reached in relation to one article (article 7 on origin marking of products). A like-minded group against this provision has been created, of which Ireland is a member, and has opposed the provision. The draft original proposal submitted to the College of Commissioners in January 2013 did not contain any such article and the Impact Assessment accompanying the two proposals did not deal with this issue in any explicit way. However, the article was added at College level for political reasons. The like-minded group see origin marking as potentially a protectionist measure that will create

additional administrative burdens for SMEs without adding anything to product safety. On the MSR proposal, there are fewer areas of particular contention: however, as the two proposals are linked, both are held up. The EP has signalled its support for the article 7 proposal, whereas both EuroCommerce (the EU business grouping) and BEUC (the EU consumer groupings) oppose article 7.

The Lithuania and Greek Presidencies failed to resolve this blockage and it is expected that the Italian Presidency will try to advance it: in this context, it is worth noting that Italy is a strong supporter of the proposal.

**Next steps/  
timeframe** Continue to participate in Working Group meetings as required.

**Lead officials:** Asst. Sec. Breda Power x 2609; PO: Kieran Grace x 2676

**Item:** **Companies Bill 2012**

**Summary:** This Bill will consolidate the existing 16 Companies Acts, as well as other regulations relating to the incorporation and operation of companies, into a single Act of over 1,430 sections. Its provisions cover the incorporation of companies, corporate governance, duties of directors and secretaries, financial statements and auditors, receivers, reorganisations and examinerships, windings-up and compliance and enforcement. The provisions are brought together in a coherent manner that will facilitate business people in incorporating and operating companies on a day-to-day basis. The Bill is split into two parts: “Volume 1”, which contains all of the law applicable to the new private company limited by shares and “Volume 2”, which contains the law applicable to all other company types.

**Next steps/  
timeframe** The Bill was published in December 2012 and was passed by Dáil Eireann in April 2014 with over 400 amendments. The Bill completed Committee Stage in the Seanad on 17 June 2014, and Report Stage is expected to be taken in the Autumn. Once enacted the necessary Commencement Orders will be prepared.

**Lead officials:** Asst Sec: Breda Power x 2609, PO: Elaine Cassidy x 2668

**Item:** **Implementation of the EU Recommendation on Quality Assurance of Audits of Public Interest Entities**

**Summary:** In 2010 the Minister for Trade and Commerce decided to implement the EU Commission Recommendation on an external Quality Assurance system for Audits of Public Interest Entities and to assign this function to the Irish Auditing and Accounting Supervisory Authority (IAASA). Implementation of the Recommendation would allow IAASA to directly inspect how the audits of public interest entities have been carried

out. Funding of this function will be met by the relevant audit firms by means of a levy.

IAASA will require additional resources (financial and human) to carry out the Quality Assurance function. The ECF figure for the Agency is 26 which includes the 11 staff required to carry out this function. Final sanction has yet to be received from the Department of Public Enterprise and Reform for IAASA to recruit these staff. Once received it will take some time to undertake the recruitment process. This can be done in tandem with the transfer of the functions of quality assurance to IAASA.

Provision for a levy to be imposed by IAASA on statutory auditors/audit firms of Public Interest Entities in order to defray the costs for carrying out the functions of external quality assurance in respect of these Public Interest Entities was included in the Companies (Miscellaneous Provisions) Act 2013.

**Next steps/  
timeframe**

Resource constraints in the Office of the Parliamentary Counsel permitting, it may be possible to provide for the transfer of additional Quality Assurance functions requiring primary legislation, apart from the levy, in the Companies Bill 2012. If not, provisions could be included in a new Bill (early 2015) which is likely to be necessary to transpose elements of the Accounting Directive. Either of these options will allow for the incorporation of the revised Quality Assurance functions contained in the EU audit measures adopted on 16 April last which supersede the provisions in the previous EU provisions on Quality Assurance. Draft Regulations can be done in parallel with primary legislation to give effect to elements of the Quality Assurance measure not requiring primary legislation.

**Lead officials:**

A/Sec: Breda Power x 2609 PO: Pat A Houlihan x 2671

**Item:**

**Transposition of Accounting Directive (2013/34/EU)**

**Summary:**

The Accounting Directive (2013/34/EU), adopted on 26 June, 2013, represents an updating and amalgamation of two previous Directives on accounting – the 4<sup>th</sup> Company Law Directive on annual accounts and the 7<sup>th</sup> Company Law Directive on consolidated accounts. It is significant in that it -

- (i) provides significant simplifications and reductions of administrative burdens for enterprises, notably SMEs,
- (ii) is intended to lead to greater EU cross-border comparability of accounts,
- (iii) introduces mandatory requirements of disclosure for payments of enterprises to Governments in the extractive and logging of primary forest industries (Chapter 9), in which the Directive will be the equivalent of US legislation under Section 1705 of the Dodd-Frank Act and its implementing measures by the Securities Exchange Committee (SEC).

**Next steps/  
timeframe**

A public consultation was carried out earlier this year, responses have been examined and a stakeholder meeting was held in May 2014. Drafting of primary/secondary legislation to transpose this Directive is due to commence shortly with Heads of

Bill/draft Regulations scheduled to be sent to the OPC in November 2014. The Directive is due to be transposed by 20 July, 2015.

A proposal for a Directive as regards disclosure on non-financial diversity information by certain large companies and groups is due to be adopted shortly and it is intended to be incorporated into the Accounting Directive transposition process.

**Lead officials:** A/Sec: Breda Power x 2609 PO: Pat A Houlihan x 2671

**Item:** **Transposition of Audit Directive (2014/56/EU) and implementation of Audit Regulation (EU) No. 537/2014**

**Summary:** The Audit Directive (2014/56/EU), amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, and the Audit Regulation (EU) No. 537/2014 on specific requirements regarding statutory audit public –interest entities, were adopted on 16 April, 2014.

The main issues surrounding these audit proposals were the following:

- mandatory rotation of audit firms;
- prohibition of non-audit services and limitation of related audit services;
- the use of Regulation – rather than a Directive in relation to provisions relating to the audit of Public Interest Entities (PIEs) – a Regulation is directly binding on Member States – and the linked issue of subsidiarity and proportionality of the use of a Regulation;
- the proposed expansion of the scope of the definition of PIEs bringing far more companies into the net for special treatment for audit purposes;
- role of the competent authority in the public oversight of statutory auditors and audit firms and the extent to which it is allowed to delegate its tasks to professional bodies;
- implementation of International Standards on Auditing (ISAs) at Member State versus EU level;
- content of the audit report.

**Next steps/timeframe** An initial meeting with stakeholders has been arranged for 20 June 2014. Following this it is intended to carry out a public consultation on these measures and to engage with stakeholders in order to progress the necessary primary and secondary legislation required to transpose these measures. This will involve drafting an implementation plan, assignment of drafting tasks and commencement of draft Regulations in Q2/Q3, 2014. The measures are due to be given effect by 17 June 2016.

**Lead officials:** A/Sec: Breda Power x 2609 PO: Pat A Houlihan x 2671

Item: **Transposition of Directive 2012/17/ EU amending Council Directive 89/666/EEC and Directives 2005/56/EU and 2009/101/EC as regards the interconnection of central, commercial and companies registers.**

Summary: The Directive arose from a need for Member States' business registers to communicate with each other in relation to cross-border mergers and branch activity where parent companies are located in one Member state and the branches of that parent are in other Member States.

Currently, any communication which takes place between Member States' registers, as represented by the Companies Registration Office in Ireland, is on an ad hoc basis and not necessarily automated or electronic.

The Directive ensures implementation of an IT system which will provide for electronic inter-messaging between registers in a standardised way, by means of identical content and interoperable technologies, thus facilitating cross-border access to business information on companies and their branches opened in other Member States.

Next steps/  
timeframe The Directive must be transposed by 7th July 2014. Draft Regulations to give effect to the Directive are being progressed with the OPC and are expected to be settled shortly.

Lead officials: A/Sec: Breda Power, 2609 PO: Helen Curley, 2638

Item: **Analyse the Implications and Appropriateness of the Evolving Role Being Proposed by the Department of Finance for the Company Law Agencies in the Irish Collective Asset- Management Vehicle (ICAV) Bill.**

Summary: The collective investment funds sector, which is supervised by the Central Bank, has secured the agreement of Government for the Minister for Finance to introduce new legislation providing for a new type of corporate structure designed specifically for that sector. The proposed Irish Collective Asset- Management Vehicle (ICAV) will mirror a vehicle introduced in the UK Treasury in the late 1990s and it is expected that many Irish funds that are currently incorporated as investment companies under the Companies Acts will convert to become ICAVs.

Notwithstanding that the new ICAV structure will not be subject to company law, the Department of Finance had proposed that the Office of the Director of Corporate Enforcement (ODCE) to play a very significant role in enforcing the ICAV regime.

The Department of Finance has since indicated that they anticipate a potential role for



IAASA. The extent and implications of this are being examined.

**Next steps/  
timeframe** Discussions are ongoing between the two Departments and their respective agencies. The Department of Finance has produced a list of specific areas in their proposal which require enforcement action and this will be the basis for future discussions and negotiations. The Department of Finance are keen to have their Bill drafted in time to allow enactment by the end of 2014.

**Lead officials:** A/Sec: Breda Power x 2609. PO: (various, depending on precise issue) - Coordinating AP: Deirdre O'Higgins x 2692.

**Item:** **Provide Secretariat Support to the Company Law Review Group (CLRG) whose Work Programme for 2014-2016 includes a Review of the Enforcement of Company Law.**

**Summary:** The Company Law Review Group (CLRG) is an expert advisory group charged with advising the Minister on company law matters. Its current 2 year work programme was approved by Minister Bruton in February 2014 and comprises providing advice on the following matters:

- Provisions of the Companies Bill 2012 (ongoing advice to the Department)
- Whether recent submissions from stakeholders justify amendments to the Companies Act in the future. These submissions deal mainly with financial reporting, insolvency or winding up provisions.
- Whether amendments are required to the law relating to company representation before the courts.
- Whether the UNCITRAL Model Law on Cross-Border Insolvency should be adopted by Ireland.
- Reviewing the enforcement of company law.
- Advising the Department on EU company law proposals.

**Next steps/  
timeframe** Ongoing meetings of CLRG. Secretariat is provided by Sabha Greene, Company Law Unit of the Department. The Chair is Dr Thomas Courtney.

**Lead officials:** A/Sec: Breda Power x 2609. A.P. Sabha Greene x 2527

**Item:** **Participate in Negotiations on EU Proposals in the Area of Company Law**

**Summary:** There are a significant volume of EU company law proposals under negotiation at present. Full details on these issues are provided in the Legislation section of this brief but they include proposals in the areas of insolvency, non-financial reporting, shareholder engagement and single member private limited companies.

**Next steps/  
timeframe** Consultation with stakeholders in preparation of Irish negotiating positions. Regular attendance at working party meetings, which range in frequency from weekly to monthly meetings depending on the dossier.

**Lead officials:** A/Sec: Breda Power x 2609 PO: Pat A Houlihan x 2671

**Item:** **Securing necessary staffing resources for IAASA and ODCE**

**Summary:** **ODCE**

Following a retirement in December 2013 there is now only one professional accountant in the ODCE. A second accountant is urgently required to deal with the investigation and enforcement work of the Office, particularly that which involves examining the complex financial transactions of large companies in group structures.

Additionally the ODCE's revised workforce plan, received in April 2013, has specifically highlighted the centrality of accountancy skills as being fundamental to that Office's ability to deal with the more complex issues and investigations which it has been facing since the economic downturn. According to that plan the ODCE requires a total of seven accountants and a person with IT and digital forensic skills at Higher Executive Officer level in order to deal with its current caseload. A case has been made to the Department of Public Expenditure and Reform for the rebalancing of staff proposed in the ODCE workforce plan. (Sanction has been sought in December 2013 at official level. On 6 June 2014 Minister Bruton wrote to Minister Howlin in relation to the resources for the ODCE and IAASA).

**IAASA**

Further to a Ministerial decision, IAASA is to be conferred with an additional function pursuant to the *European Commission Recommendation 2008/362/EC* on

external quality assurance for statutory auditors and audit firms which audit public interest entities. This means that for the first time in Ireland an independent regulator will have direct access to audit firms, to their structure and organisation and to the working files of the auditors. The audits of Irish entities listed on an EU stock exchange, Irish credit institutions and Irish insurance undertakings will be subject to Quality Assurance reviews.

The responsibility for Quality Assurance of audits currently resides with the accountancy body to which the auditor or audit firm belongs. The transfer of this function to IAASA will ensure that the reviews will be seen to be carried out in an independent manner.

The Department is awaiting sanction from the Department of Public Expenditure and Reform for IAASA to recruit the 11 staff required to undertake this function. A legislative provision to allow IAASA to levy auditors and firms of Public Interest Entities to defray the costs of carrying out the functions of external quality assurance was included in the Companies (Miscellaneous Provisions) Act 2013. Further legislative amendments will be required to confer all the necessary powers on IAASA in relation to this function.

**Next steps/  
timeframe**

(Depends on the response of the Minister for Public Expenditure and Reform but more Ministerial intervention may be required)

**Lead officials:**

A/Sec: Breda Power, 2609 PO: Helen Curley, 2638

**Item:**

**Provide Secretariat Support to the High Level Group on Business Regulation**

**Summary:**

The High Level Group on Business Regulation (HLG), provides a standing dialogue between Departmental officials and business and union representatives, and is chaired by the Minister for Small Business. It is tasked with identifying ways of reducing the administrative burden on business. The Group acts as a clearing house for specific business suggestions for administrative burden reduction by identifying administrative solutions and simplifications across Government. The HLG prioritises in a work programme a number of areas for attention each year, and sets up sub-groups of the members, chaired in each case by a business member, to examine the possible simplifications that might be recommended in each area. These are then either submitted for consideration for the Action Plan for Jobs or included in the Group's periodic reports.

In 2014 the Group has prioritised planning issues, risk-based enforcement, and

continues to examine how regulatory burdens can be reduced ex ante through transparent and systematic use of Regulatory Impact Analysis (RIA).

**Next steps/  
timeframe** Ongoing meetings of HLG. Draft reports; possible inputs to the Action Plan for Jobs, 2015.

**Lead officials:** A/Sec: Breda Power, 2609 PO: Helen Curley, 2638

**Item:** **Communications: Taking Care of Business & BusinessRegulation.ie Portal**

**Summary:** A key part of reducing regulatory burdens is better communication. Making it easier for small businesses and start-ups to identify the regulations that apply to them is important.

In 2012, the Department developed and launched the [www.businessregulation.ie](http://www.businessregulation.ie) web Portal, which brings together in one place many strands of regulatory and compliance information applicable to business, along with links to supports for small businesses and start-ups.

In 2013, the Department, in co-operation with over 25 Public Bodies, Offices and Agencies, launched a series of "Taking Care of Business" events, where, to date, approximately 1,200 small businesses have attended to hear concise presentations from regulators and support agencies, and where they can ask questions and seek advice at more than 30 stands during a half-day free event. (Events have to date been held in Dublin, Cork, Limerick and Galway) The Department sees this kind of informal, two-way communication with business as a key means to reduce the perceived burden of regulation, by providing advice and support and by giving small and start-up businesses a prioritised set of actions to take to achieve regulatory compliance most efficiently and effectively.

**Next steps/  
timeframe** A fifth Taking Care of Business event will be held in Dublin on 16<sup>th</sup> October. Further events for 2015 are being planned, based on the success of the events run to date.

Review of current portal in the context of the landscape of business-facing websites; expand and improve its functionality and publicity. Q3-Q4 2014.

**Lead Officials** A/Sec: Breda Power, 2609 PO: Helen Curley, 2638

**Item:** **Continue to support other Divisions of the Department and other Departments in relation to their reduction of Administrative Burdens.**

**Measurement of Administrative Burden Reduction arising from the Simplification of the Employment Rights Bodies**

**Summary:** Support and advice continues to be offered to Departments in relation to the reduction of administrative burdens on business or to evaluate the benefits of simplification projects either current or planned.

The five existing employment rights claims and appeals bodies are in the process of being streamlined into one body of first instance and one body of appeal, with the concomitant reduction of complexity for both claimants and employers. The Business Regulation Unit is carrying out a measurement of the administrative burdens arising from the existing system of bodies and is working with officials from the five bodies as well as private sector experts to estimate the potential reduction of administrative costs that could result from the streamlining project

**Next steps/ timeframe** Workshops will be held in Q2-Q3 2014 to identify the burden reductions arising from the amalgamation of the employment rights bodies.

**Lead officials:** A/Sec: Breda Power, 2609 PO: Helen Curley, 2638

**Item:** **Introduction of a number of regulatory improvements for co-operative societies (Industrial and Provident Societies) (I&P) and certain changes to the Friendly Societies (FS) legislative framework.**

**Summary:** Following a review of existing I&P and FS legislation the Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Bill 2013 was introduced in the Seanad in July 2013. The Bill introduces a number of regulatory improvements for co-operative societies (industrial and provident societies), and provides for the cessation of registration of friendly societies (existing societies will continue in operation).

**Next steps/ timeframe** The Bill completed all stages in the Seanad on 5 June 2014. The Bill completed Report and Final Stages in the Dáil on 9 July 2014.

**Lead officials:** Asst. Sec. Breda Power x 2609; AP: Máire Ní Chuirc x 2726

**Item:** **Prudential supervision gap in respect of certain Friendly Societies (FS) and Industrial and Provident Societies (I&PS)**

**Summary:** A range of Friendly Societies and a small number of Industrial and Provident Societies (three credit co-operatives), which are involved to some degree in the provision of financial services to their members, operate without the exercise of prudential supervision by any regulatory body. The matter has been the subject of Aide Memoires to Government, and the Department has been in consultation with the Department of Finance with a view to assigning responsibility for prudential supervision of the entities concerned to the Central Bank/Financial Regulator.

**Next steps/  
timeframe** Enactment of the Friendly Societies and Industrial and Provident Societies (Miscellaneous Provisions) Bill, will be a preliminary step in this process (via the cessation of registration of new friendly societies). Discussions with the Department of Finance will be renewed on enactment of the Bill, with a view to progressing the development of appropriate prudential supervision for the existing societies (end 2014 and 2015).

**Lead officials:** Asst. Sec. Breda Power x 2609; AP: Máire Ní Chuirc x 2726

**Item:** **Personal Injuries Assessment Board – amendment of the PIAB Act to deal with issues relating to reserves and various operational matters.**

**Summary:** Advice from the Attorney General indicates that legislative change would be required to allow the Minister to set a reserves policy for PIAB. The PIAB Act is now more than ten years in operation and it is anticipated that a review of the legislation will indicate a number of areas where operational changes may be desirable.

**Next steps/  
timeframe** Over the coming months conclude a review of the legislation and consult with relevant interests. Prepare Memorandum for Government and secure approval for draft Heads of a Bill by end 2014.

**Lead officials:** Asst. Sec. Breda Power x 2609; AP: Máire Ní Chuirc x 2726



**2.4 Labour Affairs Division**  
**Martin Shanagher, Assistant Secretary**

Business Units in the Division	Head of Unit (Principal Officer)
<i>Workplace Relations Reform Programme Office</i>	<i>Maureen O'Sullivan PO</i>
Industrial Relations Unit Workplace Relations Liaison Unit Employment Appeals Tribunal	Liam Kelly PO
Economic Migration Policy Unit	Fiona Flood PO
<i>Labour Market and EU EPSCO Policy Unit</i> Safety, Health and Chemicals Policy Unit	<i>Paul Cullen PO</i>
Employment Rights Policy Unit	Dermot Sheridan PO
Internal Audit	<i>Fiona Kilcullen PO Accountant</i>
<ul style="list-style-type: none"> <li>- Offices :</li> <li>- Labour Relations Commission</li> <li>- Labour Court</li> <li>- NERA</li> <li>- Equality Tribunal</li> <li>- Employment Appeals Tribunal</li> <li>- Health and Safety Authority</li> </ul>	CEO - Kieran Mulvey Chairman - Kevin Duffy Dep. Director - Pdraig Dooley Director - Niall McCutcheon Chairman - Kate O'Mahony CEO - Martin O'Halloran



Business Unit in the Division	Head of Unit (Principal Officer)
Workplace Relations Reform Programme Office (WRRPO)	Maureen O’Sullivan

The main priorities for the WRRPO of the Department include:

- (a) Design and delivery of the Workplace Relations Reform Programme

### Brief Information on Key Priorities

Item: The design and delivery of the Workplace Relations Reform Programme

Summary: The objective is to fundamentally reform our workplace relations framework and structures in order to deliver a world-class workplace relations service which is simple to use, independent, effective, impartial, cost effective, provides for workable means of redress and enforcement within a reasonable period and reduces costs to business. A core two-tier structure will underpin the reform programme; two statutorily independent bodies will replace the current five. There will be a new single body of first instance - to be called the Workplace Relations Commission (WRC) - and a separate appeals body which will effectively be an expanded Labour Court.

Significant progress has been achieved to date, in advance of the enabling legislation, insofar as the technological, structural, administrative and staffing changes required to underpin the Workplace Relations Reform Programme are concerned, including the following measures which have already been put in place:

- Two public consultations on the scope of, and framework for, the Reform Programme have been completed and the outcomes in this regard have informed programme design and implementation and the drafting of the enabling legislation,
- Transfer of the Equality Tribunal into the Department of Jobs, Enterprise & Innovation,
- Establishment of a Single Contact Portal (Workplace Relations Customer Service) for information provision and complaints receipt and registration,
- Launch of a single Workplace Relations Complaint Form and e-complaint facility,
- Finalisation of a Staffing and Structures Plan for the WRC and Labour Court,
- Design and launch of a single Workplace Relations website,
- Design and launch of a Single Adjudication and Appeals Decisions Database,
- Establishment of an Early Resolution Service,

- Finalisation of Adjudicator training and recruitment plans,
- Completion of significant business process re-engineering,
- Identification of a single location in Dublin for WRC staff,
- Agreement on a programme for the rationalisation of hearing venues,
- Implementation of enhanced technologies, including the design of a hearings scheduling tool and the completion of the procurement phase in relation to the design and commissioning of a Customer Relationship Management Solution (CRMS).

Next steps/  
timeframe

Over the coming months, work will be proceeding at an accelerated pace, and in line with the evolving legislation, on progressing a comprehensive programme of work to ensure that our workplace relations services are business ready for Establishment Day.

- Installation of the CRMS Platform and the design and commissioning on that Platform of a business application to support complaints and adjudication administration,
- Establishing an Advance Post-Registration Unit (APRU) which will have responsibility for progressing complaints to the Workplace Relations Bodies following registration by the WRCS until closure and issue of the final decision,
- Making arrangements for the training and appointment of adjudicators and adjudication systems,
- Implementing new hearings scheduling arrangements and technology,
- Implementing the Staffing and Structures Plan for the WRC and the Labour Court,
- Setting up a full Early Resolution Service,
- Progressing the implementation of the programme for the rationalisation of hearing venues,
- Formulating arrangements for the introduction of compliance notices and fixed charge notices in support of inspection activities,
- Progressing the layout and fit-out of WRC accommodation in Dublin,
- Preparation of the website for Establishment Day,
- Re-configuration of the e-complaint form for Establishment Day and the design and launch of single appeals and enforcement application forms,
- The phasing out of a number of ICT systems in line with the rationalisation of services and CRMS implementation, and
- Finalising business process reviews of all workplace relations operations and activities within the five Bodies.

Lead  
officials:

A/Sec: Martin Shanagher Ext 3179 PO: Maureen O’Sullivan Ext 3314

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
<b>Industrial Relations Unit</b>	<b>Liam Kelly</b>
<b>Workplace Relations Liaison Unit</b>	<b>Liam Kelly</b>
<b>Employment Appeals Tribunal</b>	<b>Liam Kelly</b>

The main priorities for these Units include:

- (a) Progressing the Programme for Government commitment to reform the Industrial Relations Act 2001.
- (b) Reforming legislation to provide for sectoral wage setting mechanisms arising from the 2013 Supreme Court judgment in *McGowan v Others* which struck down the then existing registered employment agreement element of the 1946 Industrial Relations Act
- (c) Bringing about the effective and efficient wind-down of the Employment Appeals Tribunal in conjunction with the establishment of the Workplace Relations Commission
- (d) Oversee establishment of Joint Labour Committees and defend associated legal challenge.

### **Brief Information on Key Priorities**

**Item: Programme for Government Commitment on Collective Bargaining**

**Summary:** The Programme for Government contains a commitment to ‘reform the current law on employees' right to engage in collective bargaining (the Industrial Relations (Amendment) Act 2001), so as to ensure compliance by the State with recent judgments of the European Court of Human Rights”

- The Industrial Relations Acts 2001/2004 were enacted to provide a mechanism, in relation to companies that do not engage in collective bargaining, by which the fairness of the employment conditions of workers could be assessed and to provide protection for employees initiating action in this regard. However, the 2007 decision of the Supreme Court in *Ryanair - v - The Labour Court* cast doubt on the functionality of the Acts and had a chilling effect on their usage.
- In addition, following the publication of the Programme, the *ILO Committee on Freedom of Association* issued its report in response to a complaint referred to it by ICTU and IMPACT arising from the Ryanair Supreme Court judgment.
- As part of the Government’s response to the ILO Report, it was indicated that these matters would be addressed in the context of a review of the operation of the Industrial Relations (Amendment) Act 2001 as signalled in the Programme for Government.
- As part of this review, over the course of 2013, a number of comprehensive submissions and presentations were received from a range of interested parties ranging from trade union representatives, employer representatives, State bodies and others.

- Following consideration of the submissions and subsequent discussions, a series of meetings with representatives of the Irish Congress of Trade Unions, the Irish Business and Employers' Confederation, and the American Chambers of Commerce took place in late-2013 and concluded in mid-April 2014, by which stage significant acceptance of the compromises proposed was achieved.

The resulting proposals were presented to Government and Cabinet approval to draft legislation was secured on 13<sup>th</sup> May.

Next steps/  
timeframe: Heads of Bill being drafted in consultation with interested parties. It is expected that Heads of Bill will go to Government for approval in this Dáil Session.

Lead  
officials: Martin Shanagher, Ext No. 3179 (A Sec), Liam Kelly, Ext No. 2610 (P.O.)

**Item: Sectoral Wage Setting (post McGowan)**

Summary: In the judgment delivered on 9 May 2013 in the *McGowan* case, the Supreme Court held that Part III of the Industrial Relations Act 1946 was invalid having regard to Article 15.2.1 of the Constitution. That Article provides, in effect, that the exclusive power to make laws is vested in the Oireachtas. The Supreme Court took the view that REAs were instruments having the status of laws made by private individuals. While the Constitution allows for the limited delegation of law making functions, the provisions of the 1946 Act went beyond what is permissible under the Constitution. The effect of this decision was to invalidate the registration of employment agreements previously registered under Part III of the 1946 Act. Having considered the legal advice from the Attorney General on the implications of the Supreme Court ruling, and given the importance of the issue for employers and their employees, particularly in relation to rates of pay and tendering for contracts it is proposed to bring forward legislation to address the ruling and to provide for a revised legislative framework that would be fully informed by the Supreme Court judgment and be expected to withstand constitutional challenge in the future. A draft framework of what that legislation will entail was circulated to relevant stakeholders for consideration in February 2014, followed by a round of consultations. There is broad cross industry support for the framework.

Next steps/  
Timeframe: The Office of the Attorney General is currently examining an outline of the Scheme which will closely reflect proposed Heads of Bill. It is expected that Heads of Bill will go to Government for approval in this Dáil Session.

Lead  
Officials: Martin Shanagher, Ext No. 2719 (A Sec), Liam Kelly, Ext No. 2610 (P.O.)

**Item: Dissolution of the Employment Appeals Tribunal**

Summary: In the context of the Workplace Relations Reform process, the Employment Appeals Tribunal (EAT) will be dissolved. It is proposed that the Workplace Relations Bill will provide for the transfer of the current first instance jurisdiction and appellate jurisdiction of the EAT to the Workplace Relations Commission

(WRC) and the Labour Court (LC) respectively from the date of commencement of the legislation. Complaints and appeals submitted to the EAT before the commencement date will be disposed of by the EAT. It is understood that the EAT will be dissolved at some stage after it has disposed of all complaints and appeals referred to it before the commencement date. It is estimated that the dissolution will not occur sooner than 2 years after the commencement date of the Bill.

Next steps/  
timeframe      The Workplace Relations Bill is expected to be published by June 2014 and enacted by the end of the year. It is understood that a Ministerial Order will be drawn up to address, inter alia, the detail of the dissolution of the EAT.

Lead  
Officials:      Martin Shanagher, Ext No. 2719 (A Sec), Liam Kelly, Ext No 2610 (PO)

Item:      **Joint Labour Committees and Legal Challenge**

Summary:      The Industrial Relations (Amendment) Act 2012 Act provides, inter alia, that a review of each Joint Labour Committee be carried out by the Labour Court. That Review was completed in April 2013. The review assisted the Labour Court's deliberations as to whether any JLC should be abolished, maintained in its current form, amalgamated with another JLC or its establishment order amended and the Labour Court made its recommendations to the Minister to this effect. In January 2014 Ministerial Orders to give effect to those recommendations were signed, including the order reconstituting the JLC that covers hotel workers outside of Dublin and Cork City. Industrial Relations Officers of the Labour Relations Commission have been appointed to the positions of Chairpersons and Deputy Chairpersons of the JLCs.

***Legal Challenge***

William Neville & Sons Properties Ltd, trading as the Riverside Park Hotel, and the Irish Hotels Federation, have launched Judicial Review proceedings seeking to have the Minister's decision to reconstitute the Hotels JLC quashed. They argue that the Minister's order is unfair and will force the hotel industry into providing different terms and conditions in the sector depending on where employers are geographically based. They also seek various declarations, including that the Minister's decision in relation to the JLC was an error in law in that the Minister failed to require evidence that the making, of the Order would promote harmonious industrial relations, and that it breaches constitutional justice. They further seek a declaration that the Minister acted outside of his powers in making the decision.

Next steps/  
Timeframe:      It is a matter for the Labour Court, under the Industrial Relations Act 1946, to ensure that equal numbers of representatives of workers and employers in the relevant sectors are on each of the JLCs. Nominations have been received from employer and worker representatives for the Contract Cleaning and Security JLCs. Nominations are still awaited in respect of the other JLCs.  
Counsel have been instructed on the legal challenge, which will be defended by the State.

Lead  
Officials:      Martin Shanagher, Ext No. 2719 (A Sec), Liam Kelly, Ext No. 2610 (P.O.)

## Legislation

1. **Foreseeable Legislation (arising from Programme for Government)**
  - (a) Industrial Relations (Amendment) (No 1) 2014
2. Legislation where Heads of the Bill have been approved
  - (a) Industrial Relations (Amendment) Bill (No 1) 2014
3. **Other legislation under consideration**
  - (a) Industrial Relations (Amendment) Bill (No 2) 2014 (Sectoral Wage Setting)

Business Unit in the Division	Head of Unit (Principal Officer)
Economic Migration Policy Unit	Fiona Flood

The main priorities for the Economic Migration Policy Unit include:

- (a) Revised format for Employment Permits Acts 2003 and 2006 following enactment of Employment Permits (Amendment) Act 2014
- (b) Finalisation and signing of Employment Permit Regulations 2014
- (c) Review of employment permit fees
- (d) Review of minimum annual remuneration levels for employment permits
- (e) Embedding of systems and procedural changes to implement new employment permits legislation
- (f) Provision of Trusted partner facility to businesses
- (g) Consideration of an interdepartmental unified process for applications for employment permits and immigration visas
- (h) Completion of Business Process Review of Employment Permits Section

### Brief Information on Key Priorities

**Item:** Revised format of Employment Permits Acts 2003 and 2006

**Summary:** The Employment Permits (Amendment) Bill 2014 is due to be signed into law by end July 2014.

This amending legislation enhances the employment permits regime and addresses the changing circumstances and needs of the State since the Employment Permits Acts 2003 and 2006 came into force. The new Act provides flexibility to deal with a

changing labour market environment and certainty for those parties who fall within its ambit, while maintaining a consistent employment permits regime.

Next steps/  
timeframe The Department will ask the Law Reform Commission to make revised 2003 and 2006 Acts available on their website by September 2014. The revised formats will provide for ease of use.

Item: **Finalisation and signing of the Employment Permits Regulations 2014**

Summary: The Employment Permits (Amendment) Bill 2014 is due to be enacted by end July 2014.

The supporting Regulations, which have been drafted in parallel with the drafting of the Bill and its passage through the Houses, are now being finalised. The Regulations set out specific rules and criteria (for example remuneration levels, eligible / ineligible categories of employment, time limits, fees etc.) as provided for under the Act. These regulations will be reviewed and adapted on a biannual basis to reflect the exigencies of a changing enterprise environment.

Next steps/  
timeframe The Regulations are currently being finalised and will be ready to sign and lay before the Oireachtas at the end of July

Lead  
Officials: A/Sec: Martin Shanagher PO: Fiona Flood

Item: **Review of employment permit fees**

Summary: It is vital that the work of the Employment Permits Section is not loss making for the exchequer, is fair on business and that fees charged are applied proportionately.

Currently around 40% of employment permit applications are processed without a fee and in the case of refused or withdrawn applications a fee, if paid, is refunded (after signing of Employment Permits Regulations 2014, 90% of the fee will be refunded).

Next steps/  
timeframe An analysis of the fee structure for employment permits and the factors which should be taken into consideration in the process of a review is scheduled to commence in Q3 2014.

Lead  
officials: A/Sec: Martin Shanagher PO: Fiona Flood

Item: **Review of employment permit minimum remuneration thresholds**

Summary: It is imperative that the employment permit schemes are reactive to changes in economic circumstances and labour market conditions. Therefore, in order to adequately control the flow of skilled non-EEA migrants into the country, it is necessary to review employment permit minimum remuneration thresholds, amongst

other considerations (e.g. eligible/ineligible occupations, and qualifications) on a regular basis, in accordance with the changing needs of the public finances and the labour market.

The three proxies for determining skills level and therefore eligibility for employment permits are:

- salary level of employment offer,
- occupation applied for, and
- qualification/skills level.

Setting the minimum remuneration threshold for an employment permit is a delicate balancing act: on the one side the salary needs to be high enough to attract and retain third country nationals to fill existing skills gaps and to secure a socially accepted standard of living and on the other, it should not be so high as to impact negatively on Ireland's international competitiveness. It should also be sufficient to cater for the policy of immediate family re-unification in certain circumstances (Critical Skills Employment Permit).

Next steps/  
timeframe Work on the selection and analysis of the critical factors that should determine an appropriate minimum remuneration threshold for an employment permit is scheduled to commence in Q4 2014.

Lead  
officials: artin Shanagher PO: Fiona Flood

Item: **Embedding of systems and procedural changes to implement the new employment permits legislation**

Summary: To implement changes on foot of the 2014 Employment Act the IT systems, procedures, work flows and documentation within employment Permits Section will have to be amended to cater for the 9 new schemes which replace the existing 4 schemes. All forms and website information will also have to be amended.

Next steps/  
timeframe Changes to be implemented with effect from early July 2014 ( in anticipation of enactment of Bill)

Lead  
officials: A/Sec: Martin Shanagher PO: Fiona Flood

Item: **Provision of Trusted Partner Facility**

Summary: The introduction of a Trusted Partner scheme was proposed by the Minister to streamline the application process for employers applying for Employment Permits. During the period of registration as a Trusted partner (two years), the eligible employers the intention is that they will enjoy shorter application procedures and quicker processing times.



Next steps/  
timeframe: Advice has been sought to ensure there is a sound legal basis for the scheme. Should the legal advice support the introduction of the scheme it will operate on a pilot basis for clients of IDA and EI.

Lead officials: A/Sec: Martin Shanagher PO: Fiona Flood

Item: **Consideration of an interdepartmental unified process for applications for employment permits and immigration visas**

Summary: Further to Action 113 in the APJ 2014, a Working Group to examine the potential for introducing a unified employment permit and visa applications system was set up in March 2014. This is driven by the concern that, from the clients' perspective, it is not satisfactory to have to deal with potentially three sequential stages of a process with two separate Departments. A final report with recommendations is to be delivered by end 2014.

Next steps/  
timeframe: A draft report is to be considered by the consultant engaged in the BPR of Employment Permits.

Lead officials: A/Sec: Martin Shanagher PO: Fiona Flood

Item: **Completion of Business Process Review of Employment Permits Section**

Summary: The primary objective of the BPR is to produce a set of workable recommendations and proposals that will deliver improvements in efficiency, effectiveness and value-for-money in the achievement of the goals of the Employment Permits Administration Section. The terms of reference include the identification of future opportunities for ICT enhancements to business processes particularly with a view to planning for an Online Employment Permits Applications System.

Next steps/  
timeframe: In response to the request for a proposal, a number of proposals have been received. Following assessment of these a selection will be made and the successful tenderer will be awarded the contract. The BPR is expected to be completed before end 2014.

Lead officials: A/Sec: Martin Shanagher PO: Fiona Flood

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
<b>Labour Market and EU EPSCO Coordination Unit</b>	<b>Paul Cullen</b>

The main priorities for the Labour Market & EU EPSCO Unit include:

- (a) EU Interface with EPSCO Council
- (b) Domestic Interface with Department of Social Protection

### **Brief Information on Key Priorities**

**Item: Ireland’s Interface with EPSCO Council ( and its preparatory bodies)**

**Summary:** The EPSCO Council plays a pivotal role in the governance arrangements for the European Semester and close coordination is required between its preparatory bodies (and those of ECOFIN) in finalising the Jobs and Growth Guidelines in the spring and in reviewing the related country specific recommendations which are submitted to the European Council in June each year.

The lead responsibility for coordinating the activities of all Government Departments vis-à-vis the EPSCO Council lies with the Department of Jobs, Enterprise and Innovation. While the Minister for Jobs Enterprise and Innovation has the lead role in relation to the European Semester process at the EPSCO Council, this is somewhat anomalous as the main labour market policy, activation and vocational education and training measures fall under the responsibility of other Ministers. This anomaly will become more acute as the implementation of Ireland’s country specific recommendations comes under scrutiny.

The EPSCO Council meets in formal session four times each year and twice in informal session in the country of the Presidency. Responsibility for Ministerial attendance at EPSCO from DJEI has fallen exclusively on the Minister for Jobs Enterprise and Innovation as there is no delegation of responsibilities (as was the case prior to 2011) to a Minister of State in this policy field.

**Next steps/  
timeframe**

The EPSCO Council dates for the remainder of 2014 are:

**June**

19<sup>th</sup> June Formal EPSCO Council Luxembourg.

This Council will be asked to approve the Country specific recommendations (under art. 148) as part of the Europe 2020 Strategy.

It will also consider possible legislative developments at EU level on undeclared

work, European Network of Employment Services, gender balance on companies board.

**July**

17/18 July Informal EPSCO Council hosted by the Italian Presidency. Joint Environment & EPSCO Ministers on the subject of Green Jobs

**October**

16 October Formal EPSCO Council Luxembourg – reflections on the fourth European Semester.

**December**

11 December Formal EPSCO Council Brussels

Lead officials: Asst Secretary: Martin Shanagher x 3179; Principal Officer: Paul Cullen x 3290

Item: **Contribution to national labour market policy coordination (alignment of APJ and Pathways to Work and SOLAS implementation strategies)**

Summary: The Government is continuing to support employment growth and to tackle unemployment through the complementary strategies of the Action Plan for Jobs and Pathways to Work. A Cabinet sub-committee has been established to oversee the delivery of the Pathways to Work strand of the strategy. The sub-committee includes the Ministers for Jobs Enterprise and Innovation, Social Protection and Education and Skills and is chaired by An Taoiseach.

The Cabinet Sub Committee is supported by the Senior Officials Group on Labour Market Issues and the Interdepartmental Pathways to Work Programme Board, both of which are attended by Officials from this Section. The Senior Officials Group on Labour Market Issues deals with the activation\training agenda at national level, including the Department of Public Expenditure which takes a central role on these policy issues (including specific deliverables under the EU's country specific recommendations in these areas).

Protocol for cooperation with Department of Social Protection:

Under Pathways to Work 2013, a protocol of cooperation with the Department of Social Protection and Department of Jobs, Enterprise and Innovation was entered into. The overarching aim of the protocol is to maximise the recruitment of suitably skilled personnel from the live register by the Department's enterprise agency client companies. A steering group has been established to oversee the effective delivery of the aims of the Protocol.

**Next steps/  
timeframe** The 2014 Pathways to Work Plan is currently being developed and the Department of Jobs Enterprise and Innovation has fed into this process. It is anticipated that the

plan will be finalised by the end of June 2014.

**Lead officials:** Asst Secretary: Martin Shanagher x 3179; Principal Officer: Paul Cullen x 3290

<b>Business Unit in the Division</b>	<b>Head of Unit (Principal Officer)</b>
Safety, Health and Chemical Policy Unit	Paul Cullen

The main priorities for the Safety, Health & Chemical Policy Unit include:

- (a) Review of Dangerous Substances (DS) Regime
- (b) Transposition of Seveso III
- (c) Chemical Policy/Industry Impact/HSA Resources
- (d) Workplace Safety – Sectoral concerns

#### Brief Information on Key Priorities

##### **Item 1: Review of Dangerous Substances (DS) Regime**

**Summary:** DJEI is responsible for the DS Acts which focus primarily on the regulation of petroleum safety in order to make workplaces safe. However, there are a range of other stakeholders with a variety of roles and responsibilities e.g. HSA, CER, Local Authorities, NSAI, EPA, Revenue, DECLG. The present regime is out of date technically and not enforced consistently. The sector needs a new regime that is administratively simple with all interested parties understanding and taking responsibility for their roles, sufficiently flexible to accommodate Adaptations to Technical Progress (ATP) and reflective of a ‘Risk- Based’ approach to safety. A report was compiled by ARUP in 2008 and the recommendations from this report were the subject of a public consultation and subsequently considered by a Steering Group.

The difficulties with the current regime are particularly noteworthy in the case of ‘kerbside’ petrol stations which are currently operating on the basis of a derogation from the 1979 Regulations. The current 2 year derogation expires at the end of 2014.

Lead officials: A/Sec: Martin Shanagher Ext PO: Paul Cullen Ext 3290

## **Item 2: Transposition of Seveso III**

**Summary:** The Seveso III Directive (2012/18/EU) is due for transposition by 1 June 2015 at which time the Seveso II Directive (98/82/EC) will be repealed. The Seveso Directive obliges Member States to ensure that operators have a policy in place to prevent major accidents. The main changes under Seveso III include technical updates, better access for citizens to information about risks resulting from activities of nearby companies, and about how to behave in the event of an accident, more effective rules on participation, by the public concerned, in land-use planning projects related to Seveso plants, access to justice for citizens who have not been granted appropriate access to information or participation, stricter standards for inspections of establishments to ensure more effective enforcement of safety rules.

### **Next Steps/Timeframe**

Engage with OPC on settlement of draft regulations by end 2014 so as to meet transposition date.

The Seveso Regulation allows a Competent Authority to charge and be entitled to be paid for the provision by that Competent Authority of a service or the performance of a duty imposed on any such Authority under the regulation.

The current system of charging is considered to be out of line with the burden imposed on the HSA in the provision of services to Seveso sites. The charging system is being reviewed in as part of the ongoing transposition process.

Lead officials: A/Sec: Martin Shanagher Ext      PO: Paul Cullen Ext 3290

## **Item 3: Chemical Policy/Industry Impact/HSA Resources**

**Summary:** Chemical Policy as an industry concern as opposed to the historical worker safety dimension is continuing to grow in significance and has wide ranging economic implications for FDI, the competitiveness of our indigenous sector, SME policy and economic recovery. The REACH Regulation for the control of chemicals and its direct application can create both an administrative burden for Ireland's competent authorities (CAs) and a regulatory burden for industry. These concerns have been raised by the HSA and are supported by industry; PharmaChem Ireland is proactive in raising their concerns with the Department. In short the concern is that the role of the CA as a support to industry (as opposed to a purely enforcement role) in complying with the REACH Regulation is not sufficiently recognised and that that inadequate resources will hinder growth. The negotiations on the EU –US TTIP have highlighted the importance of confirming the robust and “fit-for-purpose” nature of the regulatory regime in Ireland and the standing of its competent authority vis-a-vis its EU and US counterparts

As a result of the ECF and the LIFO policy the HSA has lost 18 staff from the Chemicals area. The range of expertise lost included Ph.D and Masters level chemists, ecotoxicologists, food scientists, toxicologists and environmental scientists.

### **Next Steps/Timeframe**

Recognising that Chemicals and their ongoing regulation is a growing industry concern and taking on board that policy in this area at EU level is being driven by an environmental approach, Ireland must be positioned to maximise its influence at EU level so as to ensure that

environmental concerns are balanced by a recognition of the economic implications of the decisions being made.

Strategically, Ireland must be positioned to maximise its influence in Europe. The recent appointment of Dr. Sharon McGuinness, Assistant Chief Executive, HSA as the Irish representative on the Board of the European Chemical Agency (ECHA) gives us a strong voice at this forum which is the driving force behind chemical regulation taking into account human health, the environment as well as innovation and competitiveness. ECHA helps companies to comply with the legislation, advances the safe use of chemicals, provides information on chemicals and addresses chemicals of concern.

In tandem with this appointment, it is crucial that a support framework is in place to service other relevant EU fora, provide the necessary support to industry and ensure consistent enforcement.

While efforts are ongoing to bring the HSA staff numbers within the ECF limit, we must be cognisant of the impact of this stripping of resources from the HSA on FDI and SMEs.

Lead officials: A/Sec: Martin Shanagher Ext      PO: Paul Cullen Ext 3290

#### **Item 4: Workplace Safety – Sectoral concerns**

**Summary:** Workplace fatalities to date in 2014 have shown a sharp increase.

- In agriculture there have been 13 fatalities (at 12/06/14) with the majority involving tractors and machinery. Intensification of production is foreseen under Food Harvest 2020 and there are concerns that fatalities will continue to increase.
- In construction there have been 6 fatalities to date and in the context of the recently published Construction Strategy there is a danger of a return to the level of fatalities recorded during the construction ‘boom’ with a high of 23 in 2005.
- Similarly, high risk activities such as fisheries merits attention given that 6 out of the 16 Agriculture related fatalities recorded in 2013 were in the Fishery sector. A working group on fisheries safety established by the Minister for Agriculture and the Minister for Transport did not include HSA but its report is expected to favour closer cooperation

The Irish approach to dealing with high risk sectors has been one of effecting behavioural change through a collaborative and partnership approach as opposed to pure enforcement. Partnership models have been rolled out in both the Agriculture and Construction Sectors.

**Next Steps/Timeframe:** DJEI will continue to support the HSA’s efforts to secure the completion of an MOU between the HSA and DTTS/Irish Maritime Administration on all relevant aspects of occupational safety and health in the fishing sector in the interests of closing any gaps in services and ensuring that a multi-faceted, cross departmental, cross agency approach to improving the safety and health record in the fishing sector in line with international best practice.

Business Unit in the Division	Head of Unit (Principal Officer)
Employment Rights Policy Unit	Dermot Sheridan

The main priorities for Employment Rights Policy Unit include:

- (a) Transposition of Posted Workers Enforcement Directive
- (b) Bringing our Organisation of Working Time Act (OWT) into line with rulings of the Court of Justice of the European Union (CJEU) in *Schultz-Hoff* and related cases (accrual of annual leave while on long term sick leave)
- (c) Consideration of policy options in respect of the application of the Organisation of Working Time Act (OWT) and the National Minimum Wage Act (NMW) to “sleepovers” in the Homecare Sector
- (d) Consolidation of Employment Rights legislation - scoping exercise

**Item: Directive of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services (the “Posted Workers Enforcement Directive”)**

**Summary:** The Directive aims to provide for more effective enforcement of employment law across the EU in the area of posted workers and is seen as a means to tackle “social dumping” (where a foreign service provider might undercut local service providers because the foreign service provider’s labour standards are lower). A worker is a “posted worker” when s/he is employed in one EU Member State but sent by their employer on a temporary basis to carry out their work in another Member State, for example, when a service provider wins a contract in another country. The Directive, which was very contentious and was under discussion in Council for a considerable length of time, was finally adopted in May 2014 and has a transposition date of 18 June 2016. The Directive will provide significantly enhanced protection for workers being posted to Ireland and for those employees of Irish companies being posted to other Member States. When workers are being posted to Ireland, in future, our National Employment Rights Authority (NERA) will have to be informed of the identity of the service provider, the number of workers being posted, the duration of the posting, as well as details of the location and nature of the services to be provided. There will also be a designated contacted person from the service provider to liaise with NERA and appropriate records will have to be maintained for inspection. These provisions will greatly enhance the role of NERA in ensuring vulnerable workers are not exploited and Irish employment law is fully respected. Of equal importance, Irish companies will be protected from

unfair competition on the domestic market by ensuring foreign service providers cannot unfairly undercut nationally determined terms of employment. The Directive also provides for more effective co-operation between national authorities like NERA across the EU.

Next steps/  
timeframe      The next step is to draw up a transposition timetable setting out the key steps required for transposition, including a re-assessment of how the original Posted Workers Directive was transposed, a Regulatory Impact Assessment and consultation with stakeholders on the exercise of options contained in the Enforcement Directive. It is likely that primary legislation will be required to transpose the Directive.

Lead  
officials:      A/Sec: Martin Shanagher x 3179      PO: Dermot Sheridan x 2765

Item:      **Bringing our Organisation of Working Time Act (OWT) into line with rulings of the Court of Justice of the European Union (CJEU) in *Schultz-Hoff* and related cases (accrual of annual leave while on long term sick leave)**

Summary:      The Organisation of Working Time Act 1997 provides for a statutory minimum entitlement of four weeks' paid annual leave. The 1997 Act transposed the 1993 EU Working Time Directive (Council Directive 93/104/EC) into Irish law and that Directive contained a requirement for the provision of a minimum of four weeks' paid annual leave. In recent years, the European Court of Justice (ECJ) has made several rulings interpreting the annual leave provisions of the Working Time Directive in cases where an employee is on long term sick leave. The main ECJ rulings are the joined ruling in the cases of *Schultz-Hoff/Stringer* (C-520/06 and C-350/06) and *KHS* (C-214/10), which provide that employees accrue statutory annual leave while on sick leave, and that on termination of the employment relationship, an allowance in lieu of annual leave which was due and untaken as a result of the employee not being able to do so due to sickness, shall be paid to the employee. The *KHS* case provides that national law can set limits (i.e. a carry-over period) on the accumulation of annual leave during successive years of absence on sick leave, but the ruling does not state definitively what the appropriate carry-over period is. A complaint against Ireland was made to the European Commission regarding the incompatibility of our Organisation of Working Time legislation with the Working Time Directive, as interpreted by the CJEU in *Schultz-Hoff* and related rulings. The complaint was transmitted to Ireland via the Commission's PILOT website, which is classified as the informal or pre-litigation stage of the process leading to formal infringement proceedings. Ireland responded to that complaint in February. However the Commission rejected Ireland's response on the grounds that no calendar or amending legislation was provided by the national authorities.

Next steps/      While the unlimited accrual of annual leave while on long term sick leave can be



timeframe provided for by way of secondary legislation made pursuant to the Organisation of Working Time Act, it is considered prudent to legislate for a carry-over period which will limit the accrual of annual leave while on sick leave. This has to be done by way of primary legislation. An RIA is currently being finalised, and will be published by the end of July. It is planned to include the necessary legislative provision to give effect in national law to the Schultz-Hoff ruling in the Workplace Relations Bill.

Lead officials: A/Sec: Martin Shanagher, ext.3179 PO: Dermot Sheridan, ext. 2765

Item: **Consideration of policy options in respect of the application of the Organisation of Working Time Act (OWT) and the National Minimum Wage Act (NMW) to “sleepovers” in the Homecare Sector**

Summary: HCCI, the representative association for homecare providers, has been in contact with the Department regarding the application of the OWT Act and the NMW in the homecare sector. The issue concerns “sleepovers”, i.e. when a carer sleeps over in a client’s home. As regards OWT, the ECJ has ruled that the Working Time Directive must be interpreted as meaning that on-call duty performed by a person in a situation where he or she is required to be physically present at the place of work must be regarded as constituting working time, even where the person concerned is permitted to rest at the place of work during periods when his or her services are not required. As regards the NMW, NERA are in receipt of legal advice which states that employees working in the homecare sector, who are required to “sleepover” at their place of work are entitled to the national minimum wage in respect of each hour of the overnight on-call period, regardless of whether they are called or not. HCCI contends that unless some resolution is found to this issue, the cost of homecare will be unaffordable, there will be loss of employment in the homecare sector, and additional burdens will be placed on the public healthcare system. NERA, acting on foot of a complaint from an employee, have taken a prosecution on behalf of the Minister against a homecare provider for breach of the NMW, and the homecare provider pleaded guilty when the case came to hearing on 10 June. The sentencing hearing is scheduled for July 14<sup>th</sup>.

Next steps/  
timeframe Paper setting out policy options is being prepared for consideration by the Minister. Wider stakeholder views are currently being sought with a view to submitting the paper to the Minister in the near future.

Lead officials: A/Sec: Martin Shanagher, ext.3179 PO: Dermot Sheridan, ext. 2765

Item: **Consolidation of Employment Rights Legislation**

**Summary:** The body of employment and industrial relations legislation which has developed in Ireland consists of some 22 primary Acts and over 70 statutory instruments. It is unnecessarily complex, inaccessible and, in many respects, inconsistent. Consolidation of the substantive law in this area would greatly enhance the institutional reform currently being progressed via the Workplace Relations Reform Project. It would also make a real contribution to reducing the regulatory burden on businesses and workers and greatly enhance the State's reputation as the best small country in which to do business.

Consolidation exercises are normally limited to discrete topics. In the context of employment legislation, the law relating to atypical workers, and the law on dismissal are examples of discrete areas of the law that would benefit from consolidation. The main objective of the proposed project would be to consolidate and combine into one single measure, enactments relating to the same subject matter, so as to improve the form of the law without altering the substance. There would be further merit in combining the individual consolidations into a single Employment Rights Act.

This project will comprise a considerable element of research to establish what areas of the law should be consolidated and consultancy to draft the consolidated legislation. The project will have to be delivered in a number of phases, including an initial scoping exercise to establish the scope and methodology of the project, a research phase to identify the extent to which enactments can be grouped together, that regulate similar or related areas of the employment relationship (e.g. redundancy) or of particular types of employment arrangements (e.g. atypical working) with a view to preparing one consolidated Act in respect of each such area, and a consultancy phase involving the preparation of draft consolidated texts and/or Heads of Bill as appropriate in respect of those areas of law identified in the research phase.

**Next steps timeframe** Identify and put in place the resources to undertake the initial scoping phase of the project over Q3/Q4 of 2014.

**Lead officials:** A/Sec: Martin Shanagher, ext.3179 PO: Dermot Sheridan, ext. 2765

**Item: Ratification of the Domestic Workers Convention**

**Summary:** At its meeting on 8 July 2014 the Government approved the ratification of the International Labour Organisation (ILO) Convention on Domestic Workers. A "domestic worker" is defined in the Convention as "any person engaged in domestic work within an employment relationship". The Convention requires countries to take measures to ensure that domestic workers, like other workers generally, should enjoy fair terms of employment, and sets out provisions in this regard such as requiring that where the domestic workers reside in the household for which they work, they should enjoy decent living conditions that respect their privacy. Ireland's existing suite of employment rights legislation is already fully

compliant with the provisions of the Convention. Legally employed domestic workers already enjoy the full protections of Ireland’s robust suite of employment rights legislation by virtue of the fact that that all Irish employment rights legislation, including provisions relating to redress for violations of employment rights, apply to domestic workers in the same way as they apply to other categories of employees in Ireland. The decision to ratify puts Ireland among the small group of ILO member countries who have ratified this Convention. To date, only 14 ILO member countries out of 185 have ratified the Domestic Workers Convention and Ireland will be only the third EU country to ratify.

Ratification of the Convention is an opportunity to raise awareness of the rights of domestic workers, and, to this end, NERA (the National Employment Rights Authority) has prepared a booklet on the employment rights of domestic workers in Ireland which is being launched today (9 July) to coincide with ratification of the Convention. NERA has carried out a programme of inspections involving domestic workers, and continues to respond to any complaints it receives from domestic workers.

Next steps/  
timeframe      The next steps are to draw up the formal instrument of ratification (to be carried out by the Department of Foreign Affairs and Trade) and for the Irish Mission in Geneva to formally lodge the instrument with the International Labour Organisation (ILO) in Geneva.

Lead officials:      A/Sec: Martin Shanagher, Ext 3179      PO: Dermot Sheridan Ext 2765

Business Unit in the Division	Head of Unit (Principal Officer)
National Employment Rights Authority (NERA)	Padraig Dooley

The main priorities for NERA include:

- (a) **NERA promotes and safeguards the employment rights of workers** through the provision of information, the enforcement of employment legislation in the workplace and, where necessary, the prosecution of offences where there is evidence of non-compliance which has not been rectified.
- (b) **Employment Rights and Industrial Relations Reform:** NERA is committed to the achievement of this goal and has made significant resources available to support the establishment of the Workplace Relations Reform Programme Office and the Early Resolution Service.
- (c) **Better Business Regulation:** NERA will continue to work in close consultation with DJEI, Government Departments & Agencies and relevant stakeholders to reduce the administrative burden on employers while ensuring that the requirements of employment legislation continue to be met.

## **Brief Information on Key Priorities**

**Item:** **Ensure and Promote compliance with Employment Law**

**Summary:**

The commitment under ‘Towards 2016’ was that NERA would have a complement of 90 Inspectors. The current complement of 57 arises as a result of promotion, internal and external Departmental transfers, and re-assignments since its establishment in 2007. Inspectors carry out inspections of employer records with a view to determining compliance with employment rights legislation. These inspections arise :

- In response to complaints received of alleged non-compliance with relevant employment rights legislation;
- As part of NERA inspections focusing on compliance in sectors where there is an identifiable risk of non-compliance and,
- As routine inspections, which act as a control measure.

The aim is to achieve voluntary compliance. Employers are given every reasonable opportunity to become compliant, rectify breaches detected, and pay money that may be due to employees, The effectiveness of this policy is reflected in the low level of prosecutions undertaken approximately (1%). NERA does not generally prosecute employees found working in breach of the Employment Permit Acts. However such employees cannot continue to work in breach of the acts. Employers found in continuing breach will face prosecution. Information regarding immigration issues is passed to An Garda Síochana.

An efficient and effective inspection service provides two specific benefits:

- It ensures that employees get their statutory entitlements, and
- Helps to provide a level playing field for employers

Labour is one of the most significant cost factors an employer has. In the current economic climate, therefore, it is more important than ever, that business be allowed to operate on a level playing field. Competitors should not, therefore, be able to gain an unfair competitive advantage, particularly by not meeting their legal obligations. NERA aims to achieve this by ensuring that employers and employees are aware of what employment law in Ireland means and, when necessary, ensuring that it is enforced.

NERA inspectors are authorised officers under the Employment Permit Acts. Since August 2011, compliance checks under this legislation are now an integral element of all inspections. Joint inspections are also carried out as part of wider investigations involving the Revenue Commissioners, Department of Social Protection and An Garda Síochana.

In 2012 one inspector was assigned to the Work Place Relations Reform Programme while another was assigned to the Early Resolution Service at the Labour Relations Commission.

Next steps/  
timeframe In light of the reduction in the number of inspectors, a review of the geographical areas associated with some of NERA's regional offices is being undertaken, to ensure that the ratio of employers to inspectors is evenly distributed.

Lead officials: A/Sec: Kieran Mulvey Ext no. 6705 PO: Pdraig Dooley Extn 8961

Item: **Employment Rights and Industrial Relations Reform**

Summary: The Workplace Relations Customers Service portal acts as the central customer interface for the Various Workplace Relations bodies. It is staffed by the Information officers from NERA. In addition to dealing with information requests via e-mail and telephone calls to the information phone line 1890 808090, staff now process and register all the complaint forms received on the various case management systems.

Complaints are now acknowledged and the Respondent notified within, on average, three working days. This was taking up to 80 days in the worst cases. In addition, more efficient receipt, registration and referral of workplace relations complaints has led to the removal of the hearings backlog in certain cases, particularly in the case of the Rights Commissioner Service.

NERA staff participates in and delivers employment law seminars, presentations, exhibitions, roadshows and other events to deliver information and raise awareness of employment legislation. NERA is currently participating at the launch of each of the Local Enterprise Offices (LEO).

Next steps/  
timeframe NERA will respond to changes in legislation and structure to ensure that compliance activities remain to be delivered in a professional and effective manner.

Lead officials: A/Sec: Kieran Mulvey Ext no. 6705 PO: Pdraig Dooley Extn 8961

Item: **Better Business Regulation**

Summary: NERA continues to work in close consultation with DJEI, Government Departments & Agencies and relevant stakeholders to reduce the administrative burden on employers while ensuring that the requirements of employment legislation continue to be met. NERA ensures regular engagement with sectorial stakeholders on compliance issues relating to those sectors and participates in various interdepartmental and interagency groups. Facilitates good communications with the NERA Advisory Board.

Next steps/  
timeframe Support the development and implementation of the Workplace Relations Bill.

Lead officials: A/Sec: Kieran Mulvey Ext no. 6705 PO: Pdraig Dooley Extn 8961

## Internal Audit

**Issue:** **Compliance with Department of Public Expenditure and Reform requirements for Departmental Internal Audit**

**Summary:** Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes

As a key element of the Department's Corporate Governance structure, Internal Audit Unit's (IAU) principal objective is to provide a risk-based internal audit service in compliance with Department of Public Expenditure and Reform (DPER) requirements, which gives assurance to management on the systems of control. Good financial control is cost effective and supports the achievement of the Departments policy objectives.

IAU provides assurance to the Accounting Officer (Secretary General of the Department) regarding the internal control systems of the Department and those Offices<sup>2</sup> directly within the remit of the Department. IAU specifically advises the Accounting Officer regarding signature of the Statement on Internal Financial Control (SIFC), which accompanies the annual Appropriation Account. The work of IAU and related structures in the Department are specified in DPER Internal Audit Standards November 2012 and the Department of Finance Mullarkey Report<sup>3</sup> of 2002. Compliance with these requirements is reviewed annually by the Comptroller and Auditor General.

As in previous years, each Secretary General in his role as Accounting Officer is required to complete the SIFC by 31 March and submit it to the C&AG and the Minister for Public Expenditure and Reform.

The basis for signature of the SIFC is as follows:

- Completed SIFC questionnaires by Principal Officers
- Finance Officer's views
- Any matters indicated by the Risk Function
- Audit Committee Annual Report

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<sup>2</sup> This includes several offices/bodies within the remit of the Department in 2014, namely Companies Registration Office / Registry of Friendly Societies, Patents Office, Office of the Director of Corporate Enforcement, Employment Appeals Tribunal; Labour Court, National Employment Rights Authority and Equality Tribunal, (Employment Rights bodies currently being restructured)

<sup>3</sup> Report of the Working Group on the Accountability of Secretaries General and Accounting Officers 2002.

- Internal Audit findings
- C&AG findings
- Matters brought to attention of the Secretary General from other sources.

*Next steps/  
timeframe* IAU prepared a three year strategic plan and the annual audit plan for 2014 has been approved by the Audit Committee and Secretary General. In order to provide assurance on the Departments systems of control, IAU will implement the approved audit plan and report to the Secretary General and Audit Committee on the findings and recommended actions. Advice based on generally accepted practice will be provided by IAU in compliance with DPER requirements.

*Lead  
officials:* Fiona Kilcullen, Head Internal Audit Unit

## 2.5 Corporate Services, EU Affairs and Trade Policy

### Philip Kelly – Assistant Secretary

<b>Business Unit</b>	<b>Head (Principal Officer)</b>
Personnel, Training & Development	John Hughes
Finance Unit	Cathal O’Gorman
Management Support Unit	Conor Verdon
ICT Unit	Pat McCourt
EU Affairs and Internal Market Unit	Tommy Murray
Trade Policy Unit	Gerry Monks
Department Legal Advisor	Marion Berry
<b>Principal Officers assigned Overseas</b>	
Permanent Representation Brussels	Lorraine Benson Eddie Nolan
Permanent Representation Geneva	John Newham
Permanent Representation London	Declan Morrin

### **Brief Information on Key Priorities**

**Item:** **Manage Continued Downsizing of Department and Agency Grouping to meet ECF targets (from 802 to 767 and from 1,728 to 1,653 respectively)**

**Summary:** The year-on-year requirement to reduce the numbers of staff serving in the Civil and Public Service continue to place requirements on the Department and the family of agencies to make staff reductions. Including a carryover from 2013, the Department itself is required to shed some 35 posts and as at early June 2014 we had surrendered (retirements and redeployments) some 19 posts. However, this scenario presumes that no one leaving the Department is replaced and that will not always be tenable (e.g. a statutory post). The NSAI have also to achieve a double-digit staff reduction. Agency staffing reductions can give rise to concerns at Agency Board level regarding that their Agency’s capacity to deliver its mandate and the Minister may be petitioned on this aspect at times.

**Next steps/ timeframe** Personnel will continue to coordinate the Department’s efforts to downsize and hopes to have available for the Management Board shortly a Workforce Planning paper setting out the upward and downward pressures on staffing across the Department. Reforms in the Workplace Relations family should yield significant



saving in admin posts but the date of ultimate delivery of that dividend is a little way off. Equally, we will continue to work with the respective Agency Liaison Units and DPER on the “ask” for each Agency.

Lead officials: A/Sec: Philip Kelly x 2183 PO: John Hughes x 2246

Item: **Oversee HR dimension of Forfás Integration to the DJEI**

Summary: Forfás is being dissolved and some 60 of its staffing complement is being transferred to DJEI to grow the DJEI policy capacity. This involves the Department moving from a 5 Division structure to a 7 Division one. As with any significant restructuring careful management of the HR dimension is led by the Personnel Officer together with the Head of Corporate Services and the Secretary General working with their counterparts in Forfás.

Next steps/  
timeframe Integration workshops for all Forfás staff have been held and another one will be delivered shortly on requirements arising from Forfás staff becoming Civil Servants. Communications channels are open & active and will remain so

Lead officials: A/Sec: Philip Kelly x 2183 PO: John Hughes x 2246

Item: **Staff Management and HR/IR issues**

Summary: Personnel Unit is the key support to the Secretary General, Head of Corporate Services and the Management Board on the ongoing management of the DJEI staff complement. Assignment, Performance Management and Grievance/Disciplinary issues are the headline elements of a much broader remit. Only in the most serious situations involving officers of Principal Officer grade upwards might Ministerial involvement arise. Ordinarily, all these matters are dealt with by the Personnel Officer and/or the Secretary General who have defined roles and responsibilities under legislation and/or relevant Regulations, Guidelines or Codes.

Next steps/  
timeframe Ongoing activity to be carefully managed. In addition, the Unit must oversee the transfer from Forfás to the DJEI of legal responsibility for existing (1,200) and deferred (450) Pensioners as well as 14 pensioners from the CEBs and almost 200 from Shannon Development on the wind-up of these Bodies. EI will provide administrative services in this area through an SLA under development.

Lead officials: A/Sec: Philip Kelly x 2183 PO: John Hughes x 2246

Item: **Promote Learning & Development Strategy in support of Staff Development and Upskilling**

**Summary:** Learning & Development Unit (LDU) is the key driver/delivery Unit for the ongoing training and development of the DJEI staff complement. Courses are developed and commissioned in response to individual, grade, Business Unit or identified cross-Departmental needs. The Unit also operates the Refund of Fees Scheme under which the Department supports participation in third level education for our staff. Circa €100k was invested in this area in 2013. The Unit also coordinated the design, tendering and administration of a Strategic Development & Integration Training programme for DJEI and Forfás APs and POs which recently concluded. This was delivered over January to June 2014, by Smurfit Business School and PwC.

**Next steps/  
timeframe** Ongoing coordination and delivery of L&D requirements of the Department. Ministerial engagement does not arise.

**Lead  
officials:** A/Sec: Philip Kelly x 2183 PO: John Hughes x 2246

**Item: Business Services Unit - Organisation**

**Summary:** This is one of the Corporate Services Units that supports the Department's Accommodation, Health & Safety, Fixed Assets, Procurement Policy, Data Protection and Services' Staff outputs. It is a very busy administrative area but one that does not usually require Ministerial engagement. Current priorities include the Forfás Integration and WRC Accommodation needs, working with OPW on a number of Accommodation projects where buildings leases for several Business Units concluded in 2015 and enhancing our support services in the areas of Procurement and Data Protection.

**Next steps/  
timeframe** Continued delivery of keep supports to the Department. Endeavouring to give greater priority to consistent implementation of good practice in the areas of Procurement and Data Protection across the Department.

**Lead  
officials:** A/Sec: Philip Kelly x 2183 PO: John Hughes x 2246 (Michael O'Leary in due course)

**Item: Undertake Current and Capital Expenditure Reviews**

**Summary:** The Current Expenditure Review requires DJEI as a minimum to reduce current expenditure by €4m in 2015 (i.e. from €339m (as per 2014 allocation) to €335m) through any combination of savings across Pay, Pensions and Non-Pay expenditure. The second element of the CRE is to undertake an additional exercise to examine the scope, and related options, on how D/JEI might deliver a further 5% reduction on the 2015 revised current ceiling of €335m.

The Capital Expenditure Review requires DJEI to explore the following three Capital envelope scenarios

- (a) Scenario 1 – An allocation of 110% of the 2015 published ceiling (as per the 2014 REV)
- (b) Scenario 2 – A “no change” scenario; and

(c) Scenario 3 – An allocation of 90% of the 2015 published ceiling

DJEI submitted its formal response to the current and capital reviews on 20<sup>th</sup> June. The Department's response to PER on the Current Expenditure Review put forward proposals for achieving current expenditure savings of €5.1m in 2015 and €6.3m in 2016 and thereafter. The response did include a detailed narrative of the impact of delivering the proposed savings of €5.1m on the various business activities and operations of the Department and its Agencies. The response also pointed out the very serious implications for the Department and its Agencies should savings greater than the €5.1m proposed be required by D/PER. The Department has sought specific resources (staff/funding) for the Patent Court Referendum in 2015.

As regards the Capital Review, the Department's response set out in detail the impacts that the proposed three scenarios would have in relation to capital programmes of each of the agencies to whom it provides capital supports. In particular, the Department's response specifically highlighted the significant damage that the imposition of a 90% capital ceiling would have on our capital programmes and to a somewhat lesser degree the difficulties that a 100% ceiling would cause for those programmes. The response also detailed the additional range of research and innovation supports that could be leveraged from an increase in the capital ceiling to 110%.

Next steps/  
timeframe

D/PER has advised that the Current and Capital Review submissions from all Departments will be analysed, following which a menu of options will be forwarded to the Government for its consideration. D/PER expects Government to reach decisions in relation to the options presented before the summer recess. D/PER has advised that the outcome of the Reviews will be reflected in the Comprehensive Expenditure Report which will be published as part of Budget 2015 and a new Medium Term Capital Investment Framework 2016-2020 which will also be published at that time.

Lead  
officials:

A/Sec: Philip Kelly PO: Cathal O' Gorman ext 3165

Item:

**ICT Supports to Organisational Reform and Accommodation changes**

Summary:

There are a number of significant organisational reform and physical accommodation changes under way or pending in the Department which require significant levels of ICT support over the coming 12 months. These include the integration of Forfás into the Department, changes in structure, business processes and accommodation for the Workplace Relations Commission (WRC) bodies, and the expiry of building leases on two Departmental buildings (Davitt House and Parnell House). Support for the integration of Forfás is under way; systems and data to be migrated have been identified, and work has commenced to facilitate this and the integration of staff. A building to accommodate the WRC bodies has been identified, but significant further steps cannot be taken until the accommodation layout is clearer. The leases on two buildings, Davitt House and Parnell House, expire in late 2015. However, as alternative accommodation has not yet been

definitively identified (the matter is in the hands of OPW), some important aspects of ICT planning work has not been able to commence.

- Next steps/  
timeframe
- Work on the integration of Forfás staff will continue over the summer. Some systems will be moved out of the Forfás building in Wilton Park House to facilitate the eventual disengagement from that building.
  - Detailed planning work has commenced with the Companies Registration Office (CRO), which currently occupies Parnell House, to rehome some of its most critical ICT infrastructure to an off-site location, to reduce the amount of work to be done when the CRO actually moves. However, certain work can only commence when a building is identified and made available. The timeframe for all of this work is dictated by the expiry of the lease.
  - The lease for the Davitt House building also expires in late 2015. Until the location of alternative accommodation is clear, the ICT work that can be carried out to support a move is limited, but this created risks that the work can be finished in time.

Lead officials: A/Sec: Philip Kelly, extn no. 2183 PO: Pat McCourt, extn. No. 2565

Item: **Maximising use of ICT resources, business processing and productivity**

Summary: Champion & support the need to use business process reviews & leveraging information & communications technologies (ICT) to deliver budgetary and staffing efficiencies. Initiatives under way include supports for the delivery of a new computer system to support the work of the new Workplace Relations Commission (WRC), supports for the Companies Registration Office in implementing changes to its systems to support the new Companies Bill, supports for the Patents Office to deliver new online services, and supports to the Employment Permits Unit to carry out a business process reengineering study to maximise efficiency in service delivery. In addition, existing systems must be kept maintained and upgraded to enhance ICT system efficiency and robustness, and a number of initiatives are in hand for 2014 to support this goal, including initiatives to enhance ICT management capability through the use of industry standard best practice models.

- Next steps/  
timeframe
- WRC will be placing a contract to deliver phase 1 of its new ICT system very shortly, and the Department's ICT services will be providing a number of supports to this process to facilitate delivery before end 2014.
  - Following a procurement process, it is expected that a contract for a business process reengineering review of the Employment Permits service will be placed shortly.
  - Planning has commenced with both Patents Office and the CRO to support their productivity initiatives for 2014.
  - Changes to existing eForms to support applications to both the Workplace Relations Commission and the Employment Permits service are being developed.

Lead officials: A/Sec: Philip Kelly, extn no. 2183 PO: Pat McCourt, extn. No. 2565

**Issue:** Define and advance Departmental EU Work Programme

**Summary:** To ensure the continuation of the development and implementation of relevant EU strategies and policies on trade, innovation, enterprise (including

industrial policy) and competitiveness with particular regard to the European 2020 Strategy, and to coordinate the Department's EU activity and liaise with staff posted in Brussels, Geneva and London.

***Next steps/  
timeframe***

Following Ireland's exit from the Troika Programme, Ireland is now back in the European Semester process proper. Ireland submitted the National Reform Programme (NRP) to the Commission on 17 April and its Stability Programme on 29 April. In early June the Commission issued 7 Country Specific Recommendations (CSRs) for Ireland and other Member States. These CSRs were examined by various Council Committees and approved by the EPSCO, Ecofin and GAC Councils. The CSRs are due to be adopted by Ecofin on the 8<sup>th</sup> July.

The next opportunity for Ministerial bi-lateral engagement with the Commission and EU counterparts will be the Informal Competitiveness Council meeting 21/22 July in Milan.

The newly elected European Parliament will resume work in July and the new Commission and the new High Representative should take office in November, whereas the European Council will be chaired by its new President from 1 December 2014. Bi-lateral meetings with relevant Commissioners and MEPS will be arranged for the Minister on an ongoing basis.

***Lead  
officials:***

Asst Sec: Philip Kelly: x 2183; PO Tommy Murray: x 2329

***Issue:***

**EU Competitiveness Council – Internal Market and Industry Issues**

***Summary:***

The EU Competitiveness Council is a combination of previous three formations of the Internal Market Council, the Industry Council, and the Research Council. Normally held over two days, the Industry and Internal Market parts on day one and the research part on day two (see separate briefing). This Department co-ordinates, prepares and develops policy inputs to the EU Competitiveness Council on both horizontal and sectoral issues.

Enhancing and sustaining competitiveness, jobs and growth and productivity in Europe is now more necessary than ever. The Competitiveness Council strives to ensure a coherent and coordinated approach to all policies impacting in these two areas.

The Competitiveness Council should be the vehicle for discussing and monitoring industrial competitiveness and internal market policies, notably in the context of the implementation of National Reform Programmes and on the basis of the Commission Annual Report on EU and Member States' competitiveness, in relation to Country-specific recommendations by the Commission and on the basis of the

Commission's annual Single Market Integration Report.

**Next steps/  
timeframe** The next formal meeting of the Competitiveness Council will take place on 25/26 September under the Italian Presidency. The Council will address governance issues and the current review of Europe 2020, the Europe 2020 stock-take. The Council will also continue the discussion on streamlining industrial policy into all EU policy making

**Lead  
officials:** Assistant Secretary: Philip Kelly x 2183 PO: Tommy Murray x 2329

**Issue:** **Services Directive Implementation**

**Summary:** The Services Directive was implemented in Ireland in November 2010 by SI 533 of 2010 – The European Union (Provision of Services) Regulations.

The Services Directive aims to maximise the advantages of the Single Market for services for the benefit of consumers and businesses. It obliges Member States to increase transparency for undertakings and service recipients including through a Point of Single Contact and eliminate unjustified or disproportionate requirements. The Directive covers a large variety of sectors ranging from traditional activities to knowledge-based services. The impact of the Directive is wide-ranging and affects service providers both large and small, including thousands of SMEs.

A key priority is to ensure that relevant Irish legislation, public policies and practices are in conformity with the Directive.

**Next steps/  
timeframe**

- Review of relevant national legislation for compliance
- Further enhancement of single market governance tools such as, Point of Single Contact (PSC), SOLVIT, IMI and Your Europe.
- Active participation in the EU Like Minded Group which promotes best practices across the Member States
- Participate at key business events to raise awareness and publicise the benefits of the Directive for example, the *Ploughing Championships* and *Taking Care of Business* events during 2014/2015.

**Lead  
officials:** Assistant Secretary: Philip Kelly x 2183 PO: Tommy Murray x 2329

**Item: Transatlantic Trade and Investment Partnership (TTIP) & Other Trade Negotiations**

**Summary:** Negotiations with the US on a Transatlantic Trade and Investment Partnership (TTIP) started in July last year. Since then, five negotiating rounds have taken place, the most recent during the week 19-23 May. The next Round is scheduled for the week beginning 14 July. The scope of the negotiations is very broad, covers investment as well as trade, and includes regulatory issues as well as tariffs.

The Department has engaged Copenhagen Economics, an international consultancy, to examine the economic, other impacts and opportunities of TTIP. The focus of this study is to identify key areas and sectors of the economy that will be impacted by the TTIP. This work will help to inform our input to the European Union's negotiating position. It will help identify policy responses to maximise the potential of this agreement and provide an assessment of the longer term implications for enterprise policy. The study should be completed by September.

*Other Significant Trade Negotiations.*

Free trade talks are well underway with **Japan** (these started in April 2013). This country is economically and politically important for Ireland.

Political agreement has been reached on a trade deal with **Canada**. Following resolution of a small number of issues it is expected the agreement will be approved for initialling at the October Trade Council. Importantly, the agreement might give the Commission power to scrutinise Canadian investment in the EU, above a certain value threshold.

Talks with **Mercosur (Brazil, Argentina, Paraguay, Uruguay)** could lead to an exchange of offers in September. Any deal with this region is of significant concern to the farming sector, especially our beef producers. Any agreement will see the EU slowly open its market to more agri exports from Mercosur.

**Next steps/  
timeframe** TTIP - It is expected that a further two Rounds of negotiations will be held before the end of the year, as well as a political level meeting in October between the US Trade Representative, Mike Froman, and the EU Trade Commissioner. This will probably be timed to coincide with the informal Foreign Affairs Council (Trade) due to take place in Rome on 14-15 October.

**Lead Officials:** **A/Sec: Philip Kelly** **PO: Gerard Monks**

**Item: World Trade Organisation Negotiations**

**Summary:** There are several sets of negotiations on Agreements under the WTO currently underway, all of strategic interest to Ireland: the revision of the **International Technology Agreement**, which would update this 1996 agreement to reflect the changes in technology since then so that more goods could benefit from zero tariff rates; and a **Green Goods (and Services) Agreement**, a new negotiation that seeks to stimulate trade in environmentally friendly goods (and services); and, a key set of negotiations towards an ambitious **Trade in Services Agreement [TiSA]**, currently outside the scope of the WTO General Agreement on Trade in Services (GATS) but with the aim to eventually be part of the GATS.

In addition, the WTO is still trying to find a way to restart the negotiations on the Doha Development Agenda, which failed in 2008. The WTO 9th Ministerial Conference that took place in Bali 3-6th December adopted the “Bali Package”, a series of decisions aimed at streamlining trade, allowing developing countries more options for providing food security, boosting least-developed countries’ trade and helping development more generally. The **three main pillars of work** are **1) the Trade Facilitation Agreement**, which aims at improving customs procedures and transparency with a view to accelerating the cross-border movement of goods; **2) Agriculture**, including food security, export competition, and other tariff-related issues (“Tariff Rate Quota” (TRQ) administration); and **3) Development**, including several provisions beneficial, in particular, for Least Developed Countries (LDC’s) in areas such as rules of origin, and services.

**Next steps/  
timeframe** The Doha Development Agenda focus is now on trying to find a formula that would restart negotiations in the parallel tracks of Agriculture, Services, and Non-Agriculture Market Access (known as NAMA). Ireland agrees with the thrust of the Commission’s efforts in devising a Post-Bali strategy, which seeks to ensure that all three strands are progressed in parallel, that development remains central to the objective, and that a readjustment in the level of ambition might be necessary in order to achieve a multilateral agreement.

Negotiations on the other Agreements will also be progressed in Geneva, with preparatory work in the Trade Policy Committee in Brussels.

**Lead  
officials:**

**A/Sec: Philip Kelly**

**PO: Gerard Monks**

**Item: WTO – Plain Packaging for Tobacco**

In addition to activity at the WTO under the TRIPS Committee on this topic, extensive work has been undertaken in both Dublin and Geneva in preparing Ireland’s mandatory notification to the WTO’s Committee on Technical Barriers to



Trade. This is necessary where a WTO Member proposes to introduce potentially trade restrictive measures. Ireland has come under scrutiny in this Committee because our new legislation on tobacco is seen by some WTO Members as inhibiting fair trade under the rules of the WTO's TBT Agreement.

This matter is of considerable political importance at the WTO because Australia and New Zealand have introduced similar packaging laws. Formal Dispute Settlement proceedings have been taken by Cuba and Indonesia against Australia because of its new laws. As an indication of the extent of interest in this matter over 30 WTO members have notified their interest in the case<sup>4</sup>.

This is the first time in 15 years that Ireland has been directly involved in dispute related activity at the WTO. Preparing for our notification required significant discussion with the Commission – DG Trade, both in Brussels and extensively with the EU Delegation in Geneva. At the last TBT Committee meeting in June Ireland was questioned on its proposed legislation and at the Committee's next meeting in November we can expect to receive intensive scrutiny and questioning. By that time WTO Members will have had the time to examine the detail of our legislation that had just been published a few days before the earlier TBT meeting.

This move by some developed countries to legislate for tobacco sales will be of significant interest internationally. Countries and companies will be closely watching the development of the tobacco dispute because it could have implications for how Governments can use international trade rules on grounds of health to legislate for other products that can be perceived as harmful to consumers, e.g. alcohol, sugars, fats etc.

**Lead Officials:** Philip Kelly A/Sec, Gerry Monks PO

**Item:**           **Export Credit Insurance**

**Summary:**     In 1998 the Government announced that the State was withdrawing from all aspects of export credit insurance.

In the years immediately preceding the wind -down, exports to Iraq featured very prominently in the cover supplied. Beef exports were a dominant, but not exclusive sector, which was given cover. Following the first Gulf war (Kuwait invasion c. 1990) there was significant defaulting of payment for goods supplied and considerable payments were made on foot of the insurance policies held. This debt then became the property of the insurer i.e. the Department.

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<sup>4</sup> Argentina; Brazil; Canada; Chile; Dominican Republic; European Union; Guatemala; Honduras; India; Japan; Korea, Republic of; Malaysia; Mexico; New Zealand; Nicaragua; Norway; Philippines; Russian Federation; Singapore; Chinese Taipei; Thailand; Turkey; Ukraine; United States; China; Nigeria; Indonesia; Peru; Saudi Arabia, Kingdom of; South Africa

Most Departmental activities in relation to Export Credit Insurance ceased in September 2003 on settlement of the Goodman High Court case. Since then, residual issues are being finalised, principally pursuing debt recovery on policies in respect of which the Department paid out in the past. In the years 2012/2013 over €3m was recovered by the Department. Only one outstanding debt recovery issue remains and continues to be pursued.

**Next steps/  
timeframe** The Department of Jobs Enterprise and Innovation is to seek authorisation from the Department of Finance to write off all monies which have been accounted for as “outstanding debt” for many years but for which there has long been no prospect of recovery and for which in many cases full and final settlements have been made.

**Lead  
officials:** Asst. Sec : Philip Kelly; PO: Gerard Monks x 2526

**Item: Export Licensing**

**Summary:** The key features of the Unit’s role are to:

- formulate and implement an effective export control regime in respect of military and dual use goods (goods which have a civil use but may also have a military application) as part of Ireland’s commitment to global arms control, non-proliferation of weapons of mass destruction and human rights.
- implement arms embargos and trade sanctions in accordance with Ireland’s international commitments and obligations as a member of the EU and UN.

**Exports**

Licensing Unit manages Ireland’s controls on exports of controlled goods and technology i.e.:

- Dual-use goods set out in *Council Regulation (EC) No. 428/2009 setting up a Community regime for the control of export, transfer, brokering and transit of dual-use items.*
- Military goods as set out in the *Control of Exports (Goods and Technology) Order 2011*. The goods listed in that Order are based on the EU Common Military List of controlled goods.
- Goods that could be used for capital punishment or torture
- Goods destined for countries to which EU trade sanctions apply and
- Brokering of military goods and technology outside the EU.

**Trade Sanctions**

Licensing Unit prepares the necessary secondary legislation (Statutory Instruments) that provide the legal basis for implementing and policing EU trade sanctions. The Department of Finance has responsibility for the financial aspects e.g. freezing of assets) that frequently connected with financial sanctions imposed by the EU.

**Next steps/  
timeframe**

A review of the Unit was undertaken by Fitzpatrick Associates at end 2013 and recommendations will be addressed during the year. This will also include strengthening the level of technical advice available to the Department.

**Lead  
Officials:**

**A/Sec: Philip Kelly**

**PO: Gerard Monks**

**Item: Bilateral Trade Promotion**

In conjunction with Enterprise Ireland and the Department of Foreign Affairs and Trade the unit decides each year on the schedule of Ministerial led trade missions. These are an exceptionally important means of helping exporters win business, especially in markets where the status of Ministers carries influence and respect. The unit provides the extensive briefing pack that is provided for each trade mission led by the Department's Ministers.

The unit also supports the Minister's participation at the Export Trade Council where discussions among Ministers takes place on strategic topics related to implementing the Trade, Tourism and investment strategy as well as the market plans for export promotion across the priority markets identified in the strategy. In support of this activity the unit provides trade statistics on a monthly basis for virtually every country around the world in addition to a range of trade data on specific topics and regions.

**Lead Officials:** Philip Kelly A/Sec, Gerry Monks PO

## 2.6 Forfás/Strategic Policy Division

Martin Shanahan, CEO, Forfás

Declan Hughes, (Divisional Manager/Assistant Secretary)

Business Unit	Head of Unit (Principal Officer)
Enterprise Policy & Evaluations	Maria Ginnity
Trade, Regulation, Enterprise Innovation & Action Plan for Jobs	Karen Hynes
Education, Skills/EGFSN, Environment & Survey Analysis	Marie Bourke
Economic Analysis, Competitiveness, Infrastructure, Tax & Finance	Adrian Devitt
Science, Technology & Innovation	John Dooley

The Strategic Policy Division is to be formed in the Department following the integration of Forfás with DJEI at end July 2014. The following material is written from the perspective of the Division being operational within the Department from end July.

### Brief Information on Key Priorities

#### *Issue*      **Action Plan for Jobs (APJ)**

**Summary:** The objective of the APJ is to mobilise all Government Departments to work towards the objective of supporting job creation and specifically to have 100,000 more people in work by 2016. The Department through Forfás plays a central role in working across Government in both the development and implementation of the APJ on an annual basis.

Implementation of APJ 2014 is well underway, the ambition of which is to create a positive environment to support start-ups and growth, drive exports and facilitate job creation and retention by the enterprise sector. The priorities are in the areas of building Competitive Advantage, assisting enterprise in Ireland to grow, driving entrepreneurship and start-up companies and exploiting sectoral opportunities.

The Department will support the Minister in the development of APJ 2015.

**Next steps/  
timeframe**      The Department will continue to play a central role in ensuring delivery of the key actions for itself and its agencies under the APJ 2014 and inputting to the quarterly monitoring reports of D/Taoiseach.

Monitoring implementation of the APJ within the Department is currently undertaken by the Competitiveness and Climate Change Unit. Forfás currently has two senior policy analysts based in the Department of An Taoiseach to assist with the monitoring of implementation of the overall APJ.

Preparation for APJ 2015 will be in line with the process for 2014. SPD will work with divisions within DJEI to support the Minister in the development of APJ 2015 and specific actions will include:

- Seeking, collating and analysing stakeholder input
- Bilateral engagement with Government Departments and agencies
- Managing APJ through Senior Officials Group and Cabinet Committee process
- Drafting and editing of the Action Plan
- Planning & Publishing of Plan

The immediate next step is consultation with stakeholders in July, including employers and workers groups. The APJ 2015 will be prepared for publication in Q1 2015.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Karen Hynes x 2870; PO: William Parnell x 2345

**Issue** **Review of Ireland's FDI Policy & FDI Policy Statement**

**Summary:** Forfás has completed the development of an FDI policy informed by extensive research and analysis. In the context of intensified global competition for FDI, Ireland needs to nurture those factors that can truly differentiate its offering: talent – development, attraction and retention; place-making – competitive city regions and a globally competitive capital city; and connected world leading research. A focused, co-ordinated approach to sectoral activity ecosystem development is also a policy imperative.

The Policy Statement sets out the strategic direction out to 2020 and the actions needed to enhance Ireland's business environment (the Ireland product) that requires the commitment of a number of government departments, agencies and stakeholders; and on investment promotion that is primarily the role of IDA Ireland and EI in natural resource areas.

**Next steps/ timeframe** The Department will use the full Forfás Review to inform internal policy and strategy development and it will not be published given its commercial sensitivity.

The Department is finalising the FDI Policy Statement as required under APJ 2014. Given the cross-government commitment required in relation to the policy objectives outlined in the Statement, the Minister has brought the Statement to the Cabinet Committee on Economic Recovery and Jobs (June 30<sup>th</sup>) and is scheduled to be brought to Government in advance of publication.

The Forfás research will also inform the development of IDA's corporate strategy over the coming months.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Maria Ginnity x 2864; Celine McHugh x 2876

**Issue** **Medium Term Enterprise Policy**

**Summary:** A sustainable and competitive enterprise base is at the core of Ireland's future economic growth. We need to set out the strategic actions to ensure that Ireland's enterprise policy is sufficiently robust to deliver on Government's ambition to have 2.1 million people in employment by 2020 and to ensure sustained growth over the coming decade to 2025.

Enterprise policy is broad in scope and in the context of the Medium Term Economic Strategy (MTES) will consider:

- Ireland's enterprise potential and areas of opportunity for growth aligned with clearly stated national objectives – taking into consideration aspects such as ownership (foreign & Irish owned), start-ups through to large scale entities, exporting and locally trading activities, and the sectoral mix;
- The prioritised policy actions (or change in emphasis) needed at both the business environment level (including RD&I, education and skills, infrastructures, fiscal policies etc.); and the level of the firm.

**Next steps/  
timeframe** The Department MAC has agreed a Terms of Reference. A DJEI cross divisional and agency group chaired by the Forfás CEO has been set up to provide insights/content. The Department will engage with key stakeholders at national and regional levels, including industry, agencies, and advisory groups at appropriate junctures throughout the year.

The project started in mid-May 2014 and it is anticipated that it will be completed by mid-2015.

**Lead officials** CEO: Martin Shanahan x 2886; Asst. Sec: Declan Hughes x 2869; PO: Maria Ginnity x 2864; Celine McHugh x 2876

### **Issue** Evaluations of agency supports for enterprise

**Summary:** Forfás has undertaken evaluations of agency programmes since 2011, with its structured under three broad areas:

Start-ups and entrepreneurship

Research, development and innovation

Business development and internationalisation

In general, the evaluations find that the agency programmes are appropriate and aligned with policy, effective in meeting stated objectives and efficient. Supported firms were more resilient over the period of the recession, achieved higher growth levels in employment and exports, realised greater productivity improvements, experienced higher survival rates.

A range of modifications to agency programmes and supports are recommended.

**Next steps/  
timeframe** Forfás has published the first two strands of evaluations (start-ups and research development and innovation) and intends to publish the final evaluation reports for the business development programmes in July 2014. An overall summary report and overarching recommendations is being prepared by Strategic Policy Division, and will be completed by Q4 2014.

The Department will undertake further analysis in Q4 2014 to better understand

sequencing/bundling of supports so that they can be most effectively targeted and packaged. It is expected to complete this by end Q4 2014. This work will also input to the Medium Term Enterprise Strategy

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Maria Ginnity x 2864; AP: Andrew Colgan x 2851

**Issue** **Integrated Licensing Application Service  
Action Plan for Jobs 2014**

**Summary:** The introduction of an Integrated Licensing Application Service was one of the Disruptive Reforms in the Action Plan for Jobs 2013, with a revised delivery date for this action of Q3 2014. DJEI are the lead Government Department on this project, through the joint engagement of Forfás/SPD and Commerce, Consumer and Competition Division.

The overall ambition of this Application Service is to reduce the regulatory burden on business. This new Integrated Licensing Application Services will be a one-stop application portal, amalgamating licence applications for business across Government Departments, agencies and other licensing authorities.

Using the retail sector as a pilot a Steering Group, chaired by the Minister for Small Business, Mr. John Perry, T.D., was established. As no additional funding was available the Steering Group agreed the approach of outsourced provision, through a finance-design-build-operate model where the appointed service provider would recoup their costs over the lifetime of the services contract. A Request for Tender for the provision of this Service was issued in the EU official journal in February 2014 with a closing date of 17<sup>th</sup> April 2014. The Local Government Management Agency (LGMA) is managing the tendering process and providing other project management services for the successful delivery of an Integrated Licensing Application Service.

**Next steps/  
timeframe** The request for tender is now closed and the evaluation process is ongoing with representatives from SPD and Commerce, Consumer and Competition Division on the LGMA evaluation panel.

Progress is still on track to meet the Q3 deadline as per the APJ 2014.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Michelle Kearney x 2872 (Breda Power and Helen Curley, Commerce, Consumer and Competition Division)

**Issue** **Smart Ageing - Action Plan for Jobs 2014**

**Summary:** Smart Ageing is identified as one of the 11 sectoral opportunity areas in the Action Plan for Jobs 2014 and Ireland's opportunity for Smart Ageing was identified as a key priority through the Global Irish Economic Forum 2013.

Smart Ageing is defined for the purposes of this work as '... using technology and innovation in both the public and private sectors to produce products, services, solutions and systems to improve the quality of life for people aged 50 and over'.

An Inter-Departmental Steering Group is overseeing the delivery of the actions

set out in the APJ, chaired by the Department of the Taoiseach. DJEI / Forfás are supporting the D/Taoiseach with this project.

**Next steps/  
timeframe** The Department is currently undertaking a mapping exercise of current activity in Ireland. A consultant will be appointed by late July 2014 to assist with this exercise.

The assessment of the potential opportunity areas will also include an analysis of the underlying framework conditions (such as telecommunications infrastructure, tax environment, etc.) and the identification of next steps to be completed by year end.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Michelle Kearney x 2872

### **Issue** **A Review of Global Irish Enterprise**

**Summary:** As an input into the *Medium Term Enterprise Policy to 2020 and 2025*, a review will be undertaken of Global Irish Enterprises. While indigenous enterprises have traditionally engaged overseas markets through exports, they have increasingly expanded their commercial presence and activities into overseas markets in the form of outward direct investment. The review seeks to ensure that Ireland's enterprise policy continues to support expansion of the base of internationalising Irish owned enterprises in Ireland, and optimise the economic impact for Ireland from this particular internationalisation strategy.

**Next steps/  
timeframe** The data analysis element of this project has begun and it is expected that the project will be completed in Q4.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Cathal FitzGerald x 2861

### **Issue** **Ireland's Trade and Investment Patterns: Market Information**

**Summary:** The global trade and investment environment in which Ireland operates is complex and fluid. In order to provide a reference and context to the Department's policy discussions and deliberations on these topics, a suite of market information fiches will be prepared which collectively will provide an overview of the key aspects of Ireland's patterns of trade and investment performance and areas of opportunity.

**Next steps/  
timeframe** The design, structure and data sources required for each market information fiche has been developed, and work on preparing the first suite is underway.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Cathal FitzGerald x 2861

### **Issue** **Harnessing Big Data for innovation-led growth: an assessment of Ireland's progress and further policy requirements**



**Summary:** The Action Plan for Jobs 2013 introduced a number of strategically significant, high profile measures called Disruptive Reforms. The first Disruptive Reform focussed on ‘Big Data’ with a stated goal that Ireland will build on existing enterprise strengths to develop as a leading country in Europe in ‘Big Data’. The aim of the disruptive reform is to exploit the employment potential of ‘Big Data’ in Ireland by putting in place a partnership between the public and private sectors that will strengthen all aspects of the ecosystem for this opportunity area.

The Department is currently undertaking a review to assess Ireland’s progress in developing a leadership position in Europe in this area and set out further requirements to build/maintain this position. The output of the exercise will be recommendations for specific actions to address the short, medium and long term ‘Big Data’ policy issues and opportunities identified for Ireland.

**Next steps/** The Department is managing the study which is due for completion by end of 2014.

**timeframe**

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Elizabeth Harvey x 2866

**Issue** **Understanding High Growth Firm dynamics and the impact on employment**

**Summary:** A degree of churn within the firm population in Ireland is desired so as to ensure that poorly used resources are being freed up by contracting and exiting firms and these resources are being reallocated to new and expanding firms. Forfás are taking a two pronged approach towards expanding the knowledge of firm dynamics on employment in Ireland.

1. The importance of High Growth Firms (HGF), we have examined the agency assisted base of firms and determined that HGFs generated between 33 per cent and 45 per cent of new jobs. Forfás have engaged with the Central Statistics Office to analyse HGFs in Ireland based on data for total firm population. In addition, we had initiated discussions with the Central Statistics Office and the OECD to engage in the OECD DynEmp project, focused on comparing firm dynamics across OECD countries.

**Next steps/** Continue to work with the CSO and OECD on the analysis of HGFs performance and provide an update report by year-end.

**timeframe**

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Elizabeth Harvey x 2866

**Issue** **Enhancing the Intellectual Property Activities in the Firm Base in Ireland**

**Summary:** A number of international reports and indicators have highlighted that Ireland is typically below EU and OECD averages when compared on metrics associated with IP generation, suggesting that there may be a need to strengthen further the IP ecosystem in Ireland so as to support enhanced IP

activities in the firm base. This study aims to deepen our knowledge of the IP activity in the firm base in Ireland and to determine how policies and supports in Ireland should be evolved to best support Irish based firms to engage in IP activities to support innovation-led growth.

As a first step in this study, the Department have commissioned research analysing Intellectual Property activity in Ireland using existing data'. The findings are currently being finalised, under the auspices of an Advisory Group and broadly confirms that Ireland's IP activity is weak across a number of key IP types.

**Next steps/  
timeframe** Following on from the data-based analysis of the IP activity in Ireland, the Department will advance the study through engagement with the industry base in order to identify firm level issues/barriers and opportunities, around which recommendations for policies and supports for enhancing the IP activities in firms can be developed. The Terms of Reference for this second phase of the overall study has been agreed by the Advisory Group.

This study is due for completion at the end of January 2015.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Karen Hynes x 2870; AP: Elizabeth Harvey x 2866

**Issue** **Review of impact of export-led growth policy in the context of changing enterprise structure (including multiplier analysis)**

**Summary:** Ireland's enterprise structure is continuously evolving. These changes include increased economic contribution from services activities, distributed ways of working, increased internationalisation activities, an increasingly mobile and multi-cultural workforce etc. This review will assess the economic impact of an export-led growth strategy taking into account potential structural changes in the enterprise base. This review aims to ensure that we have the most appropriate metrics in place to monitor impacts.

**Next steps/  
timeframe** This work will be informed by, and will input to the development of the Medium Term Enterprise Policy and be complete by year end.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Maria Ginnity x 2864; AP: Andrew Colgan x 2851

**Issue** **Review of Business Mentoring Services in Ireland**

**Summary:** Forfás reviewed business mentoring services in Ireland as required under the APJ 2013. A rich mentoring landscape exists in Ireland, including both private and public sector providers with approx. 176 mentoring organisations, 3,000 mentors and 21,000 mentoring assignments each year. Services range from light touch to more structured and integrated initiatives.

The review set out actions to enhance the overall mentor environment in Ireland. While, overall, the start-up community appears to be very well served, there is potential to engage more with established small firms. The LEOs have a key role to play as the first stop shop for all small businesses. EI is working with the

LEOs to consolidate their mentor panels and to encourage greater participation by volunteer mentors and those with sector specific and/or niche expertise (e.g. games).

**Next steps/  
timeframe** The report is scheduled for publication in early July 2014. The Department will convene an implementation group under Action 227 of the APJ, chaired by DJEI (or its nominee) consisting of representatives from enterprises, providers and agencies. The group will focus on the areas of professionalism and standards; development of mentoring portal; monitoring and evaluation; and innovative mentoring models.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Maria Ginnity x 2864; AP: Andrew Colgan x 2851

**Issue** **Prioritisation of Publicly Funded Research and Development – Policy and Technical Support for Delivery of PAG Work Programme**

**Summary:** The Government adopted the National Research Prioritisation Exercise report as a whole of Government policy. The Prioritisation Action Group (PAG) was established, under the chairmanship of the Minister of State for Research and Innovation, to drive implementation of research prioritisation under the broader authority of the Cabinet Committee on Economic Recovery and Jobs.

There are two main pillars to the group's work for implementation - maximising the impact of R&D investment in the 14 priority areas through the implementation of action plans for each of the areas; and implementation of the 13 systemic changes necessary to support prioritisation by improving the efficiency and effectiveness of our STI system.

The Department/SPD provides the policy and technical support for the delivery of the PAG work programme.

**Next steps/** The First Progress Report on the National Research Prioritisation Exercise (NRPE) is being finalised and will be published as a Q2 action APJ 2014.

**timeframe** This report will form the basis for and be a key input to the first external review of progress of research prioritisation which will be started in Q3 as per the APJ 2014 action.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: John Dooley x 2858; AP; Eamonn Cahill x 2849

**Issue** **RD&I supports for Innovation in Services and Business Processes, a national research priority area.**

**Summary:** Innovation in Services and Business Processes is one of fourteen research priority areas but a less developed one. For that reason Forfás/SPD carried out an international study of publicly funded RD&I supports for innovation in services and business processes to develop greater clarity about the opportunity for Ireland in this area.

The report on Innovation in Services and Business Processes was completed in Q1 2014 and adopted by the PAG at its meeting in March and will be published.

**Next** A key recommendation from the above report is the establishment of the

*steps/  
timeframe* Innovation in Services and Business Processes (ISBP) Advisory Group in order to take the report recommendations forward.

The group has just been established. It is an inter-agency/dept. group comprising representatives from IDA, EI, IRC, SFI, DJEI and Forfás. The group is chaired by Emmanuel Dowdall, IDA Ireland and Champion for the ISBP Priority Area.

The group, inter alia, is now focussing on ensuring that public RDI support programmes are available to fund projects in ISBP as appropriate, developing the most appropriate way of incorporating ISBP into the activities of one or more existing research centres and defining the parameters for a suitable platform in the ISBP area for Ireland.

*Lead officials* Asst. Sec: Declan Hughes x 2869; PO: John Dooley x 2858

*Issue* **Support for the development of new STI Strategy**

*Summary:* The current Strategy for STI expired at the end of 2013 and following agreement with Ministers on the scope and process for the development of a new strategy for STI, the Department will develop the new strategy through a modular process of work packages.

'A review of Ireland's RDI policies' was completed at the end of 2013 by Forfás/SPD together with evaluations of enterprise R&D programmes provides a strong evidence base of Ireland's National Innovation System.

Work is currently underway on the evidence base on enterprise RDI performance and on the economic and societal rationale for the national RDI investment.

In addition an assessment is to be undertaken of policy measures to deepen RDI performance and impact in enterprise.

*Next steps/  
timeframe* The study on optimising policy interventions to strengthen the impacts of enterprise RD&I in Ireland is to be completed by year end and is an input to the development of the new SSTI.

*Lead officials* Asst. Sec: Declan Hughes x 2869; PO: John Dooley x 2858

*Issue* **Development of the market-focussed research capacity for enterprise**

*Summary:* Ireland, has built significant capacity and a growing reputation for excellence in its research base. Enterprise research capacity has increased and enterprise is co-funding high level research programmes in research centres including the new SFI centres and the EI/IDA Technology Centres. It is an appropriate time to investigate now how the market-focussed element of the research centre landscape may be further strengthened in the medium term to deliver an internationally competitive Irish research centre landscape.

A study on the medium term development of the market-focussed element of the Irish research centre landscape is underway. This study will benchmark international comparators and include proposals on possible models and

governance arrangements; implementation considerations; areas of focus (thematic focus/crosscutting competencies) for a pilot initiative; and an institutional road map for the market-focussed element of the research centre landscape to 2025 and beyond to guide implementation.

**Next steps/** The study will be largely complete by the end of 2014 as per the timelines for the associated action within the APJ 2014.

**timeframe**

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: John Dooley x 2858; AP: Lucy Cusack x 2855

## Competitiveness

### **Issue** **The Cost of Doing Business, 2014**

**Summary:** Costs of Doing Business in Ireland 2014 builds upon a series of costs reports undertaken by both Forfás and the National Competitiveness Council in recent years. This year's report assesses labour, property, transport, utility and business/professional service and credit costs.

**Next steps/** The report has been finalised, presented to the Cabinet Committee of Economic Recovery and has been published – as per our commitments in the Action Plan for Jobs, 2014. We continue to communicate the key messages of the report. The report highlights that business costs in Ireland are beginning to increase following a number of years of reductions. As a result, further structural or policy induced changes are necessary to ensure that prices do not escalate and erode competitiveness as the Irish economy returns to stronger rates of growth.

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Conor Hand x 2865

### **Issue** **Review of Insurance Costs**

**Summary:** Insurance costs have arisen as a concern during the development of the Action Plan for Jobs 2014. We will undertake work to answer the following questions:

- What types of insurance are most important for Irish enterprise in terms of prevalence and in terms of spend?
- Do Irish firms pay more/spend more than UK/EU counterparts for insurance?
- How have insurance costs in Ireland evolved in recent years?
- What are the drivers of insurance costs?
- If Irish costs/spend are out of line, identify the factors driving this.
- Which factors are directly influenced by the State and what actions can be taken to ensure that insurance costs in Ireland are competitive with those in other countries?

**Next steps/** The project has been scoped out and we are currently considering how best to advance the project. We will also be seeking co-funding for the project from the Financial Regulator

**timeframe**

**Lead** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Conor Hand x

*officials* 2865

**Issue** Ireland's Competitiveness Scorecard, 2014

**Summary:** The terms of reference of the National Competitiveness Council require that it produce an annual report benchmarking Ireland's competitiveness against other countries. Ireland's Competitiveness Scorecard, 2014 has been finalised by the National Competitiveness Council. The report highlights five key areas of concern which require policy attention:

- Ireland must maintain its fiscal probity – stable and healthy public finances are a prerequisite for growth;
- There is a need to embed enterprise relevant skills in the workforce and to tackle long term and structural unemployment;
- To support productivity enhancing investment, action is required to enhance credit flows to enterprise;
- Ireland must grow and broaden its enterprise base, with a particular focus on developing new sectors, new products and new markets; and
- Notwithstanding recent improvements, we must relentlessly pursue cost competitiveness in light of recent evidence that the cost of doing business in Ireland is once again on an upward trajectory.

**Next steps/ timeframe** The Department submitted the report to Government and will be sent to Cabinet for noting in the near future. After the Cabinet Committee meeting, the report will be published.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Conor Hand x 2865

**Issue** Ireland's Competitiveness Challenge 2014

**Summary:** The NCC Terms of Reference require the Council to produce a Competitiveness Challenge report. Ireland's Competitiveness Challenge 2014 will aim to provide the most authoritative and comprehensive assessment of the main challenges to Ireland's economic success and will make recommendations on appropriate Government policy actions to address them.

**Next steps/ timeframe** Building on Ireland's Competitiveness Scorecard, 2014, the NCC has identified the key priority topics for the Challenge report. Research on these topics is currently underway. As per commitments in the Action Plan for Jobs, the Competitiveness Challenge report will be finalised by Q4.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Conor Hand x 2865

**Issue** Submission to the Action Plan for Jobs 2015 - NCC



**Summary:** The Minister for Jobs, Enterprise and Innovation has requested that the National Competitiveness Council provide annual input to the Action Plan for Jobs Report process.

**Next steps/  
timeframe** This project seeks to identify policies that can be commenced in 2015 which will support Ireland's international competitiveness and the ability of Irish based enterprises to successfully trade abroad.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Conor Hand x 2865

## Infrastructure

### **Issue** Enterprise Response to the Energy Green Paper Consultation Submission to DCENR

**Summary:** A reliable and competitively priced supply of energy is vital for business and its ability to compete successfully in international markets.

We work closely with IDA and EI to ensure that Irish energy policy supports enterprise growth and competitiveness. The Department of Communications, Energy and Natural Resources (DCENR) has published an Energy Green Paper for consultation.

**Next steps/  
timeframe** We will be making a submission to the public consultation process in the coming weeks. We have consulted a selection of client companies to get their views on how their energy needs are currently being met and what the issues and priorities for the future are.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Mary Twomey x 2887

### **Issue** Water Services Issues and Priorities for Enterprise Consultation with Clients on-going

**Summary:** The provision of water services in Ireland is undergoing significant reform and decisions made during 2014 will have far reaching implications for the provision of water services in Ireland.

The regulator (CER) is planning a number of detailed consultations during 2014 which deal with the important enterprise issues of water services pricing, quality levels and investment in water infrastructure. Irish Water will also be required to consult on its 25 year strategic plan and its interim investment plan.

A related issue that has potentially serious implications, particularly for large industry users, will be the management of legacy contracts and standing agreements.

**Next steps/  
timeframe** To ensure that Irish water policy and the new institutional arrangements deliver an adequate and reliable supply of competitively priced, high quality water services to Irish businesses, the Department is inputting into a range of water regulation consultation processes.

**Lead** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Mary

*officials* Twomey x 2887

**Issue** **Enterprise Submission to Aviation Transport Consultation**

**Summary:** The Department of Transport, Tourism and Sport is developing a National Aviation Strategy and a public consultation is underway.

We will make a submission which will identify future passenger and freight needs, the potential enterprise opportunities and the policy priorities required to address them.

**Next steps/** The Department will submit an aviation submission in the coming weeks.

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Mary Twomey x 2887

**Issue** **Waste Management Services for Enterprise**

**Summary:** The availability of a choice of competitively priced, quality waste management services along the waste hierarchy continues to be important for enterprise.

Following the publication of a new waste policy in July 2012, waste management in Ireland is in a transition phase.

**Next steps/** A project to assess Ireland's current performance in meeting the waste management needs of enterprise and highlight the actions required to support enterprise development now and in the future is currently underway.

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Mary Twomey x 2887

**Issue** **Review of Capital Investment Framework**

**Summary:** The Department of Public Expenditure and Reform is currently undertaking a review of the capital investment framework to provide an updated outlook on the pipeline of capital support and identify key areas in which the Government will prioritise its investment over the medium-term. DPER requested us to make a submission setting out the infrastructure needs of the enterprise sector.

**Next steps/** A cross-agency submission on our infrastructure priorities was prepared for DPER to ensure the timely delivery of those infrastructures of most importance to enable Irish companies to compete successfully in global markets.

**timeframe**

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Adrian Devitt x 2857; AP: Mary Twomey x 2887



## Tax and Finance

### **Issue**      **Review of international tax environment**

**Summary:** The international environment for corporate tax continues to receive significant attention in policy (US senate, EU, OECD work on BEPS, etc.), industry and media circles.

**Next steps/** We continue to monitor the international environment and to engage closely with the Department of Finance and other stakeholders (e.g. IDA).

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857

### **Issue**      **Pre Budget Tax Submission 2015**

**Summary:** The goal of the submission is to ensure that the tax priorities of the Department of Jobs, Enterprise and Innovation and the enterprise development agencies form an integral part of the 2015 budgeting process.

The key guiding principles will be ensuring the competitiveness of Ireland's tax offering and seeking to minimise any increases in enterprise costs.

**Next steps/** The submission is currently being finalised.

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Paul Kealy x 2130; AP: Criona Brassill x 2847

### **Issue**      **Submission to Department of Finance review of the Special Assignee Relief Programme (SARP)**

**Summary:** The growth of the global knowledge economy has increased the need for highly skilled internationally mobile workers. Indigenous and foreign owned multinational corporations need to be able to attract on a competitive cost basis, assignees with the scarce skill set to deliver the projects to ensure that the pipeline of investment can be supported.

The Special Assignee Relief Programme (SARP) was announced in Budget 2012 to attract key people to Ireland. The programme is not effective in attracting the individuals at which it is targeted. It is currently being reviewed by the Department of Finance.

**Next steps/** We have made a submission on the need for a fundamental reform of the SARP. We will continue to engage with the Department of Finance on this issue.

**timeframe**

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Criona Brassill x 2847

**Issue** **Submission to Department of Finance Review of the Foreign Earnings Deduction Scheme**

**Summary:** The Foreign Earnings Deduction (FED) enables employees based in Ireland and working abroad for more than 60 qualifying days a year in a qualifying country to claim a tax deduction on the element of their income earned while working there.

The FED came into effect in 2012 and recent figures released by the Department of Finance show that take-up was below 100 in the first year. It is currently being reviewed by the Department of Finance.

**Next steps/ timeframe** We have made a submission on the reform of the FED. We will continue to engage with the Department of Finance on this issue.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Críona Brassill x 2847

**Issue** **Submission to the Department of Finance Review of The Employment and Investment Incentive Scheme (EIIS) and Seed Capital Schemes (SCS)**

**Summary:** The EIIS provides a tax incentive to private investors in companies and the SCS provides a refund of income tax paid to those who establish and work full time in their own company. The schemes encourage equity investment in Irish SMEs to create and retain jobs - firms that would otherwise find it difficult to raise funding.

The success of the schemes and associated cost in terms of supporting investment has fallen significantly in recent years. The schemes are currently being reviewed by the Department of Finance.

**Next steps/ timeframe** We have made a submission on the reform of these schemes and have met with the Department of Finance to discuss their reform. We will continue to engage with the Department of Finance on these issues.

**Lead officials** CEO: Martin Shanahan x 2886; PO: Adrian Devitt x 2857; AP: Críona Brassill x 2847

**Issue** **Pensions – Auto-enrolment – Design of new contribution model to replace tax relief**

**Summary:** The Department of Social Protection commissioned a review of the Irish Pension System 2013 (OECD) recommended, inter-alia, that the current (marginal income) tax relief based system be replaced with a new contribution model.

D/SP officials have been exploring a 2:1:1 “employee, employer, State” contribution model for some time. The employer element of such a model would have labour cost implications and other adverse implications for enterprise, particularly small business.

**Next steps/** The next formal step is for D/SP to seek the approval of the Government to progress down the auto-enrolment route. During discussions at official level

**timeframe** D/SP have mentioned that an expert group may need to be set-up to consider auto-enrolment.

We are continuing to monitor developments from a competitiveness and tax perspective.

**Lead officials** Asst. Sec: PO: Adrian Devitt x 2857; AP: Paul Kealy x 2130

**Issue** **Advisory Group on Tax and Social Welfare (AGTSW)**

**Summary:** The AGTSW is currently preparing a report on work incentives. Paul Kealy is the DJEI representative on the group.

**Next steps/** Final report is due shortly.

**timeframe**

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Adrian Devitt x 2857; AP: Paul Kealy x 2130

## Education, Skills and Labour Market Policy

**Issue** **Progressing the Department's Enterprise Skills agenda with Higher Education, Further Education and Pathways to Work programmes and strategies and influencing change to implement our skills recommendations**

Priority areas include progressing the enterprise skills agenda as follows:

**Summary** **Higher Education:**

- Ensuring follow through on our enterprise skills recommendations to be delivered through the HEIs in the HEAs annual Performance Metrics framework.
- Providing the Departmental Input to the design of the HEA Employer Survey of HE and FE graduates.
- Monitoring and following up on skills in high demand to be delivered through Springboard, Skillnets and the ICT Conversion programmes.

**Future Skills Needs Calls:**

**Further Education:**

- Department's representative on the FET 5 Year Strategy and provide inputs to it in 2014 and written and oral briefings to the Minister for the Cabinet Sub-Committee.
- Compile and co-ordinate the Department's, EI and IDA response to the FET detailed Implementation plan.
- Provision of the Department's inputs to the Solas FET. Implementation Plan, circulated 23 June and its Operational Plan due shortly.

**Labour Market Activation:**

- Represent the Department on the skills aspects of the Interdepartmental Pathways to Work Committee and provide inputs to the Pathways to Work 2014 Plan.
- Attend the meetings of the Department's Protocol with DSP and the Enterprise Development Agencies and provide skills advice and the results of the Department's work on identifying the numbers of employees recruited by IDA, EI & Údarás from the Live Register in 2013.

**Government Action Plans:**

- Provision of inputs and progress on aligning skills with enterprise needs in the Action Plan for Jobs – quarterly in 2014.
- Assist in the Department's input into the development of the ICT Skills Action Plan and how the EGFSN recommendations are addressed by the Dept. of Education and Skills and how the enterprise sector can contribute to the Plan.

***Next steps/  
timeframe***

- Provide comments on the draft Pathways to Work 2014 for the SOG sub-group.
- Report to the Protocol Group in July/Aug on the numbers recruited by the agencies from the LR during 2013.
- Represent the Department at the following meetings: HEA meetings on the employer survey of HE & FE graduates (July); Project Maths Implementation Group (Sept and Dec); Pathways to Work Inter-Departmental Group (3 further meetings in 2014).

***Lead  
officials***

Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Catherine MacEnri x2874; AP: Gerard Walker x 2888

***Issue***

**Workforce skills and competency requirements for the freight transport/distribution/logistics sector in Ireland up to 2020 (APJ 2014)**

***Summary***

The freight/transport/distribution/logistics sector is of strategic importance for Irish trade. There are 6,430 enterprises employing 37,000 people with a turnover of €4.6bn inc Vat in the land transport sub-sector and 1,030 enterprises, with 14,700 employed and a turnover of €3.8bn in the warehousing and support activities for transport sub-sector.

The aim of the study is to assess the skills and competency requirements for freight transport, distribution and logistics activities in Ireland up to 2020, and to propose recommendations that will ensure the right skill base to meet enterprise needs. The study is a deliverable under the APJ 2014 by Quarter 4 this year.

***Outcome:*** That the skills and talent base of the sector in 2020 is fully aligned

to the skill needs of enterprise. Also, that development opportunities not only focus on those for third level graduates but also for those at lower skilled levels which will form a progression pathway(s) for anticipated job openings.

**Next steps/  
timeframe** The Department (EGFSN Secretariat) will complete research and propose recommendations in the autumn and bring the final report to the 24<sup>th</sup> September EGFSN meeting for discussion and approval to proceed to publication.

**Lead  
officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Gerard Walker x 2888

**Issue** **Identify the future skills needs and labour market supply and demand trends in the Marine/Maritime Sector in the context of Harnessing Our Ocean Wealth - An Integrated Marine Plan for Ireland (APJ 2014)**

**Summary** In July 2012, the Taoiseach Enda Kenny, launched Harnessing Our Ocean Wealth - An Integrated Marine Plan for Ireland. An important enabler in the plan is Capacity, Education, Training & Awareness, for which 5 actions have been identified. One of the actions specified in the plan is the need to identify future skills needs and labour market supply and demand trends in the marine/maritime area.

**Outcome:** That the skills and talent required by the sector are available for the labour market and future education and training output to 2020.

**Next  
steps/  
timeframe** The Department (EGFSN Secretariat) will complete research and propose recommendations in the autumn and bring the final report to the 24<sup>th</sup> September EGFSN meeting for discussion and approval to proceed to publication.

**Lead  
officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Catherine MacEnri x2874

**Issue** **Detailed assessment of the workforce skills and competency requirements for the Hospitality Sector in Ireland up to 2020 (APJ 2014)**

**Summary** The objective of this APJ 2014 item, allocated to the EGFSN, is to identify current and planned skills and talent needs within the Hospitality sector and how any gaps can be addressed including through the domestic education and training supply.

**Outcome:** That the skills and talent base of the hospitality sector in 2020 is fully aligned to the skill needs of enterprise in terms of the anticipated overseas and domestic customer base. In particular that the development opportunities for those at lower skilled levels are identified and addressed within progression pathway(s) to fill anticipated job openings.

**Next steps/  
timeframe** The Department (EGFSN Secretariat) will propose the scope of the project and circulate a Terms of Reference for the study to the 24<sup>th</sup> September EGFSN meeting for discussion.

**Lead  
officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Gerard Walker x 2888

<b>Issue</b>	<b>Review how the ICT Skills Action Plan Model could be applied in other sectors (APJ 2014)</b>
<b>Summary</b>	Under APJ 2014, the EGFSN, in conjunction with DJEI and DES will review how the ICT Action Plan model could be applied to addressing skills shortages in international languages and selling, manufacturing, hospitality and other sectors.
<b>Next steps/ timeframe</b>	The Department (EGFSN Secretariat) in conjunction with DES will, in Q4 2014, consider the potential for the application of the ICT Action Plan model in addressing identified skills shortages in other sectors.
<b>Lead officials</b>	Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Gerard Walker x 2888
<b>Issue</b>	<b>Engagement with the Higher Education Institutes on Implementation of Recommendations in EGFSN Reports (APJ 2014)</b>
<b>Summary</b>	Develop and roll out a process of deeper engagement with higher education institutions on key areas of future skills needs of enterprise, as identified by the EGFSN with industry in its reports and recommendations.  This will ensure enhanced collaboration in creating awareness of the skills and competencies required by enterprise with a view to further enhancing higher education graduate talent.  <b>Outcome:</b> Improve alignment of Higher Education Institute programmes with industry needs and better ongoing engagement processes with the Higher Education Institutes.
<b>Next steps/ timeframe</b>	The Department (EGFSN Secretariat) will agree, by year end, a process for developing deeper engagement between the EGFSN and HEIs regarding the implementation of the EGFSN recommendations and ongoing dialogue regarding the skills needs of enterprise.
<b>Lead officials</b>	Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; EO: Aisling Penrose x 2881
<b>Issue</b>	<b>ICT Skills Action Plan implementation</b>
<b>Summary</b>	The revised <i>ICT Skills Action Plan</i> published by the Department of Education and the Department of Jobs, Enterprise and Innovation in March 2014, is informed by the 2013 Forfás and Expert Group on Future Skills Needs (EGFSN) report <i>Addressing Future Demand for High-Level ICT Skills</i> . The Action Plan will further progress increases made in the domestic supply of ICT graduate output and move from meeting 63 per cent of demand in 2014 to 74 per cent of demand in 2018.  <b>Outcome:</b> That anticipated ICT professional demand is met in terms of quantity, quality and diversity of skills required.
<b>Next steps/ timeframe</b>	The Department (EGFSN Secretariat) will monitor and address the current shortfall in places made available by public HEIs in the recent call for 1,250 places in mainstream ICT programmes which threatens the ability of the Plan, as

devised 3 months ago, to meet the 74% target. Approximately 700-800 places only may materialise before September 2014, the start of the academic year.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Gerard Walker x 2888

**Issue** **Big Data and Data Analytics Skills**

**Summary** The existing base of enterprise activity, together with recent announcements of projects specifically in the area of data analytics, demonstrates that Ireland can produce and attract the type of high level skills required in this area.

Under APJ 2013, Forfás and the Expert Group on Future Skills Needs undertook research to assess the demand for big data and analytics roles and their related skills, competences and qualification requirements and map out relevant current and planned education and training output. The report, published in May 2014, also proposes actions to address gaps identified between supply and demand and assist in harnessing the considerable economic and social potential of this area into the medium-term.

**Outcome:** Ensure that Ireland has the talent pool to attract more FDI in the ‘Big Data’ area and foster indigenous enterprise and innovation.

**Next steps/ timeframe** The Department (EGFSN Secretariat) will consider and progress the recommendations of the Expert Group on Future Skills Needs Study on skills requirements in big data and data analytics published in May 2014.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Gerard Walker x 2888

**Issue** **Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2014**

**Summary** The Government allocated funding for additional places at 3rd level in 2014, in courses designed to meet the current and future e-skills needs of employers, to be made available to cohorts of the unemployed.

The EGFSN was requested to produce a guidance document to accompany the HEA competitive tender issued in February 2014, in order to ensure alignment of additional training and education places with future skills needs of enterprises to ensure relevance of provision and improve employment outcomes for jobseekers.

**Outcome:** Improved employment outcomes for jobseekers and a further stream of potential employees trained in areas of future skills requirements of industry.

**Next steps / timeframe** Places were announced on 9<sup>th</sup> June 2014.  
The Department (EGFSN Secretariat) will monitor the take-up of places against industry demand in the context of potential further call in 2015.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Catherine MacEnri x2874



<b>Issue</b>	<b>Research Analysis &amp; Secretariat Services to the Expert Group on Future Skills Needs (EGFSN)</b>
<b>Summary</b>	<p>Arising from EGFSN's mandate:</p> <ol style="list-style-type: none"> <li>1. Promotion of EGFSN recommendations through web, hard copy, presentations, conferences, media</li> <li>2. Representation of the EGFSN on key groups &amp; reviews in 2014 inputting to Government policy</li> <li>3. Management of the SLMRU, SOLAS, annual reports, briefings, proofing, presentations, press releases and publications for the EGFSN. <ul style="list-style-type: none"> <li>▪ National Skills Bulletin (annually produced by SLMRU)</li> <li>▪ Monitoring Skills Supply (annually produced by SLMRU)</li> <li>▪ Vacancy Overview (annually produced by SLMRU)</li> <li>▪ Regional Labour Market Bulletin (annually produced by SLMRU)</li> <li>▪ Updates to National Skills Database</li> <li>▪ Meetings with employer groups in relation to National Skills Bulletin identified shortages</li> </ul> </li> </ol>
<b>Next steps/ timeframe</b>	The EGFSN will hold two further meetings in 2014 (24 <sup>th</sup> September 2014 and 3 <sup>rd</sup> December 2014).
<b>Lead officials</b>	Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Catherine MacEnri x2874; AP: Gerard Walker x 2888; EO: Aisling Penrose x 2881

## Surveys and Environment

<b>Issue</b>	<b>Future Climate Change Policy</b>
<b>Summary:</b>	<p>Ireland is facing significant challenges in meeting its binding EU emissions targets for greenhouse gases under the EU Climate and Energy package for 2020 and anticipated longer term targets for 2030 and 2050. In this context, it is likely that Ireland's two existing national energy action plans will need to be revised and extended.</p> <p>There are several planned milestones in 2014 for policy concerning sustainable development and environment, such as the enactment of the Climate Change Bill, the Heads for which were drafted and released in April 2014.</p> <p>The Minister for the Environment's response to the NESC report on Climate Change (Reframing the Climate Change Debate) from December 2012 is also due in 2014. Furthermore, a new National Climate Change Mitigation Strategy is likely to be drafted in late 2014 and into 2015, with a National Adaptation Strategy to follow, probably in 2015.</p>
<b>Next steps/ timeframe</b>	The Department will prepare a submission to DECLG on the Climate Change Bill Heads together with an accompanying mimeo (a Reference Paper) for future work in this area. It is foreseen that there will be continued DJEI participation on a DECLG-led technical group looking at how Ireland can meet its binding



emissions targets from a least-cost perspective.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Microworking in Ireland: Driving Implementation of the Forfás Report**

**Summary:** There has been a rapid rise internationally in the number of on-line microwork marketplaces and associated microworkers, although such marketplaces are not as yet widely available in Ireland.

The Forfás report was published in 2013, and Forfás/ DJEI is now leading on influencing implementation the key recommendation of the report: namely, to undertake a pilot of microworking championed by a Local Authority.

**Next steps/ timeframe** A roundtable was held in March 2014 at which stakeholders were invited to discuss implementation of the report's findings and recommendations. The Local Government Management Agency has agreed to liaise with City and County Managers in this regard, and it is hoped that a pilot will emerge later in 2014, focused within a geographical community. A UK-based microworking platform developer has agreed in principle to provide Ireland with the microworking marketplace (i.e. software) pro bono for the pilot, subject to conditions being met.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Annual Business Survey of Economic Impact (ABSEI)**

**Summary:** The ABSEI is an annual survey of the development agencies' client company performance under several economic metrics. Forfás has conducted the ABSEI since its inception in 1994, first under the guise of the Irish Economy Expenditure survey, before broadening out the survey to the current format since 2000 (which includes data on, inter alia, sales, exports, corporation tax, value added, training, R&D expenditures and Irish economy spend). The survey is used to assess the economic performance of client companies at firm, sectoral, regional and agency levels over time, and the data are used extensively by internal and external stakeholders/ researchers to analyse enterprise policy questions.

**Next steps/ timeframe** The survey is in the field with results due September 2014.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Annual Employment Survey (AES)**

**Summary:** The AES is an annual census of the development agencies' client company employment as at 31st October. Forfás and its predecessor agency have conducted the AES since its inception in 1972. The survey results are used for

sectoral and regional policy analysis, for inputs to evaluations of agency programmes and in the End of Year Statements and Annual Reports of EI, IDA and Údarás na Gaeltachta and DJEI.

The survey is used to assess the employment performance (full-time and part-time) of client companies at firm, sectoral, regional and agency levels over time. Gross and net gains and losses plus net changes in employment are also derived for each agency and split by foreign and Irish headings. The data are used extensively by internal and external stakeholders/ researchers to analyse enterprise policy questions.

**Next steps/  
timeframe** The 2014 AES will be in the field in October. Preparation is already underway for the survey and the results will be available to the agencies and DJEI by mid-December 2014.

**Lead  
officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Provision of R&D national statistics to Eurostat and the OECD**

**Summary:** Forfás collects data through its Science Budget on Government expenditure on R&D and through the HERD survey on R&D spend in the Higher Education sector. This data is required both for the internal development of STI policy and nationally for Eurostat and the OECD under Commission Regulation (EU) No 995/2012.

Forfás assists the CSO on the Community Innovation Survey and the Business Expenditure on R&D Survey, both of which are also mandated by the EU under the above Regulation.

The data from the Forfás and CSO R&D surveys are subsequently used by international statistical bodies for comparison purposes, e.g. data sent to Eurostat and the OECD are used to compile international reports and benchmark performance for R&D activities.

In addition to the delivery of data on R&D to OECD and Eurostat at four times during the year, additional metadata requests and other ad hoc requests from the OECD and Eurostat are also dealt with by the Survey Unit.

**Next steps/  
timeframe** The second (June) OECD data request is currently being dealt with by the Survey Unit. A third data request will occur in October, and a final request in December. Additional ad hoc requests on individual survey data can be expected in Q3-4.

**Lead  
officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Live Register Analysis of Transitions to Agency Assisted Enterprises**

**Summary:** A protocol has been signed between DJEI, DSP and Revenue which enables closer working together and data-sharing to establish a baseline of agency-assisted jobs that are currently being filled from the Live Register. Forfás is currently working with the CSO on this.

Forfás has supplied Revenue with a list of validated names, addresses and CRO numbers of all live (~8,000) agency-assisted firms. Forfás worked closely with EI, IDA, and Údarás to validate their client company CRO listings and population lists (of live firms) in advance of sending these to Revenue.

*Next steps/  
timeframe* We are awaiting the results of the Revenue matching exercise before proceeding with our analysis. We aim to have this work completed by mid-July.

*Lead  
officials* Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Higher Education R&D (HERD) Survey**

*Summary:* This Survey tracks R&D spend and R&D personnel in the higher education sector over time. Forfás has conducted the HERD Survey since its inception and is listed as the producer of these European statistics in Eurostat. These statistics are produced in compliance with the European Statistical Code of Practice ESCoP.

The main objectives are to examine in detail the expenditure on R&D performed in the higher education sector (HERD) and R&D personnel over time, and to provide up-to-date data to Eurostat and the OECD on HERD figures for Ireland.

Forfás provides statistics R&D expenditure and research staff to Eurostat/OECD on a quarterly basis through the Central Statistics Office and produces a biennial Forfás report on the HERD results.

*Next steps/  
timeframe* The HERD survey is currently in the field with results due July 2014.

*Lead  
officials* Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **State Investment in R&D Survey ('Science Budget')**

*Summary:* This Survey tracks public funding and performance of State-funded research & development (R&D) and aims to capture key performance metrics within the State sector. A total of 35 Government departments and agencies who are engaged in some form of R&D activity in 2011-2012 are surveyed. This survey data is required for the following reports:

- Data is required by Eurostat, OECD, and for monitoring of the SSTI at national level, on Government expenditure and on the numbers employed in research and development in the public sector.
- OECD 'International data collection on resources devoted to research and development' (Main Science and Technology Indicators Report, OECD).
- Strategy for Science, Technology & Innovation. Indicators collected are included in the SSTI Indicators report to identify issues arising and resulting policy requirements.

*Next steps/* The Survey is in the field with results due August 2014.

*timeframe*

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Analysis of Community Innovation Survey (CIS)**

**Summary:** The CIS looks at what are the latest innovation trends for the enterprise sector in Ireland. Forfás formerly collected the CIS in Ireland, but now assists the CSO who has taken over this biennial survey.

**Next steps/timeframe** A DJEI report on the 2010-12 CIS will be produced in Q3-4 2014. The fieldwork has been completed for the 2010-12 CIS but the CSO has not yet provided Forfás with the final microdata (due Q1) so that we can undertake our planned analysis of the CIS. This is due to resource constraints and other priorities in the CSO.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Analysis of Business Expenditure on R&D (BERD) Survey**

**Summary:** The BERD Survey tracks R&D performance within the enterprise sector using a number of indicators, including expenditure, personnel, collaboration, etc. The 2012-13 CSO BERD has gone into the field in Q1 2014 and will continue to Q3 with some limited Forfás input showing R&D.

**Next steps/timeframe** A DJEI report will be produced in 2015 containing detailed analysis on the 2012-13 BERD, following production of results in late Q4 2014.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

**Issue** **Development of a New Employment Survey System**

**Summary:** The Employment Survey System (ESS), which is the software platform that enables the production of the Annual Employment Survey, has been in existence for almost 20 years and requires significant modernisation. It is considered timely, in light of integration into DJEI, to put in place a new Employment Survey System.

**Next steps/timeframe** A new ESS to be in place and fully operational by mid-2015. Stakeholder consultations have place in Q1-2 (EI, IDA Ireland, Údarás na Gaeltachta, etc.) A draft technical scope of the proposed new ESS is to currently being considered by Systems and the Survey Unit.

**Lead officials** Asst. Sec: Declan Hughes x 2869; PO: Marie Bourke x 2846; AP: Jonathan Healy x 2867

***Section Three - The EU Agenda***  
*(More detailed information is included at Appendix II)*

**Council of Ministers Meetings**

Of the nine current EU Council of Ministers formations, this Department takes the lead in 3 Councils, **the Competitiveness Council, the Employment Social Policy Health and Consumer Affairs (ESPCO) Council and the Trade Council.**

Ministers and Ministers of State act as “Head of Delegation” at formal meetings of these Councils in Brussels and occasionally Luxembourg and at informal meetings in the country holding the EU Presidency. The **Competitiveness and ESPCO Councils** meet in formal session twice each per Presidency and once each in informal session in the country of the Presidency. The **Trade Council** meets in formal session per Presidency and there is also one **informal Trade Council** held in the country of the Presidency. Responsibility for Ministerial attendance at **EPSCO** from DJEI has fallen exclusively on the Minister for Jobs Enterprise and Innovation as there is no delegation of responsibilities (as was the case prior to 2011) to a Minister of State in this policy field. **EPSCO Council** issues also include the Department of Social Protection, the Department of Education and Skills and the Department of Justice and Equality.

The **Competitiveness Council** is subdivided into 2 sessions with day one of the meeting dealing with **Industry and Internal Market** issues and day 2 of the meeting, currently serviced by Minister Sherlock, dealing with **Research issues and the Space Council.**

Dates for the next Informal Council meetings under the Italian Presidency are:-

- **Informal ESPCO Council** meeting 17/18 July in Milan
- **Informal Competitiveness Council** meeting 21 July (Industry Ministers) /22 July (Research Ministers) in Milan
- **Informal Trade Council meeting** 14/15 October in Rome

Dates of the next formal Council meetings are:

- **Competitiveness Council** - 25/26 September (Brussels) and 4/5 December (Brussels)
- **EPSCO Council** – 16 October (Luxembourg) and 11 December (Brussels)
- **Trade Council** – 21 November (Brussels)

## **Europe 2020 Strategy and European Semester**

Following Ireland's exit from the Troika Programme, we are now back in the European Semester process proper. The Semester is essentially the policy cycle of Europe 2020: the European Strategy for smart, sustainable and inclusive growth. The 2014 Semester Process for economic policy coordination within the EU commenced with the adoption by the Commission of the Annual Growth Survey in November 2013 followed by debates in various Council formations including the Competitiveness Council and the EPSCO Council. Ireland submitted the National Reform Programme (NRP) to the Commission on 17 April and its Stability Programme on 29 April. In early June the Commission issued 7 country specific recommendations (CSRs) for Ireland (including one related to access to finance for SMEs) and other Member States. These CSRs were examined by various Council Committees and approved by the EPSCO, Ecofin and GAC Councils. The CSRs are due to be adopted by Ecofin on the 8<sup>th</sup> July. Member States will then have to implement the CSRs in their next cycle of domestic budgetary policy. The EU cycle will begin again in November 2014 with the adoption and subsequent Council debates on the AGS for 2015.

## **Engagement with the European Parliament**

The first Plenary of the European Parliament (EP) took place on the 1-3 July and its first action was to elect Martin Schulz as President of the European Parliament. European Parliament Committee chairs, vice chairs and Committee members have now been elected.

Department of an Taoiseach are coordinating a roster from September 2014 to July 2015 for Ministerial visits to Strasbourg plenary sessions as part of the whole-of-government approach and commitment to engaging with the European Parliament. A programme of meetings with relevant EP Committee Chairs, rapporteurs, Irish MEPs etc will be arranged for the Minister when he is in Strasbourg.

The following are the EP Committees most relevant to the remit of the Department:

- IMCO - Internal Market and Consumer Protection- Chair: Vicky Forde ECR UK
- ITRE Committee - Industry, Research & Energy- Chair: Jerzy Buzek EPP PI
- INTA Committee - International Trade- Chair: Bernd Lange S&D DE
- EMPL Committee - Employment & Social Affairs- Chair Thomas Handal GUE DE
- JURI Committee – Legal Affairs – Chair: Viviane Reding EPP LU

## *Section Four – Budget and Staffing*

### **4.1 Budget**

The total Gross Allocation for the Department for 2014 is €781 million broken down as follows:

	<i>2014 Budget Allocation</i>	<i>2013 Outturn</i>	<b>Difference</b>
	<i>€000</i>	<i>€000</i>	<i>€000</i>
<b>Exchequer Current</b>	339,022	337,634	+1,388
<b>Exchequer Capital</b>	442,000	429,261	+12,739
<b>Total Budget (Gross)</b>	<b>781,000</b>	<b>766,895</b>	<b>+14,127</b>

The estimated expenditure allocation for 2014 will cover staffing and administration of the Department, its agencies and offices, capital expenditure and expenditure on a range of programmes designed to retain jobs and facilitate economic growth. Current expenditure shows a substantial reduction in 2014 when compared with the outturn for 2013 and a more significant reduction in the period since the commencement of the 2011 Comprehensive Review of Current Expenditure. Capital expenditure has also been significantly reduced in the same period.

<b>Gross Allocation as per REV</b>			
	<b>REV 2011</b>	<b>REV 2014</b>	<b>Savings (-)</b>
	<i>€000</i>		
Gross Current	392,876	339,022	-53,854
<i>Of which: Pay</i>	234,794	206,522	-28,272
<i>Non-Pay</i>	158,082	132,500	-25,582
Gross Capital	508,000	442,000	-66,000
<b>Gross Total</b>	<b>900,876</b>	<b>781,022</b>	<b>-119,854</b>

### **Pay and Pensions Allocations and Associated Staff Numbers**

The Gross Current Pay allocation for the Department, its offices and agencies is split into two parts:

- (a) Pay for ongoing payroll costs of staff, and

(b) Pensions for both ongoing payments to pensioners under a number of agency schemes and once-off lump sums.

It will be seen from the table below that the Payroll allocation has reduced by €25.8m in the period 2011-2014. The pensions allocation has reduced by €2.447m in the same period.

<b>Gross Pay Allocation as per REV and associated numbers</b>			
	<b>2011 REV</b>	<b>2014 REV</b>	<b>Savings (-)</b>
<b>Gross Pay Current Allocation</b>	<b>234.793m</b>	<b>206.522m</b>	<b>-28.271m</b>
<i>Of which:</i>			
Pay	184.824m	159m	-25.824m
Pensions	49.969m	47.522m	-2.447m
<b>Authorised Staff Numbers</b>	<b>2,854</b>	<b>2,420</b>	<b>-434</b>

Staffing levels across the Department, its Offices and Agencies are governed by the Employment Control Framework (ECF) which is overseen by the Department of Public Expenditure and Reform. Under the ECF, the Department has to reach a staffing level of 767 whole time equivalent posts by the end of 2014. A figure of 1,653 is set for the Departments Agency numbers for the same period.

### **Comprehensive Reviews of Current and Capital Expenditure**

As part of the Budget 2014 announcements, the Minister for Public Expenditure and Reform advised of the intention to conduct in 2014, Comprehensive Reviews of both Current and Capital Expenditure as part of the Government's multi-annual budgetary framework. It is the case that Comprehensive Reviews of Expenditure are conducted on a periodic basis to re-set the multi-year Ministerial Expenditure ceilings in line with emerging Government priorities and informed by evaluations of expenditure programmes. The first Comprehensive Review of Expenditure was undertaken in 2011 and set Ministerial Expenditure ceilings for the years 2011-14. The Current Expenditure Review currently being undertaken by the Min for PER will set the ceilings for current expenditure in the period 2015 – 2017. It is intended that the final Comprehensive Expenditure Report arising out of the Review will be published alongside Budget 2015.

As advised a separate Review of Capital Expenditure is being undertaken simultaneous to the Current Expenditure Review and is intended to set the Medium Term Capital Investment



Framework for the period 2016 – 2020.

PER has advised that the ceilings published in the 2014 Expenditure Report 2014 will form the basis of the Current Expenditure Review. DJEI's published current expenditure ceilings are: **2014: €339m, 2015: €335m, 2016: €335m**. Details of the specifics of the Current Expenditure Review are outlined below.

As regards the Capital Review, PER has advised that the allocations set out in the 2014 REV should form the basis for the Review. DJEI's Capital Expenditure allocations as published in 2014 REV are: **2015: €454m, 2016: €451m** (PER has advised that 2016 allocation holds for the remaining years to 2020). Details of the specifics of the Capital Expenditure Review are outlined below.

#### ***Current Review of Expenditure 2015 – 2017:***

The 2014 Gross Current Exchequer Allocation for Vote 32 - Department of Jobs, Enterprise and Innovation is €339 million. This allocation comprises both pay and non-pay elements.

The pay element (ceiling of €159 million) provides for the salary costs of staff of the Department, its Offices and Agencies. The Pension ceiling (€47.5 million) is to cover payments to former members of staff of the Agencies under specific pension schemes. The non-pay element of €132.5 million provides for the delivery of non-capital programmes, the administration costs associated with the delivery of all programmes and Departmental/agency operational costs.

As set out in the 2014 Expenditure Report published on Budget Day (October 15th, 2013) €750m of “Unallocated current savings” needs to be secured across all Votes in 2015 and a further €400m in 2016. D/PER is keen to see the various Departmental responses to show how this initial €750m in savings for 2015 will be delivered.

The requirement of DJEI is a minimum reduction of €4m in our Current expenditure in 2015 (i.e. from €339m (as per 2014 allocation) to €335m) through any combination of savings across Pay, Pensions and Non-Pay expenditure.

The second element of the CRE is to undertake an additional exercise to examine the scope, and related options, on how D/JEI might deliver a further 5% reduction on the 2015 revised current ceiling of €335m.

***EU Regulations (No. 549/2013) on European Standards of Accounting***

One particular development which has impacted upon the baselines in respect of which the current and capital expenditure reviews are to be carried out was the promulgation of EU Regulations (No. 549/2013) on European Standards of Accounting in 2013. The main implication of the Regulations relates to the capitalisation of R&D spend which effectively treats most R&D expenditure as gross fixed capital formation (i.e. capital expenditure), rather than current expenditure, as has been the case heretofore.

***Capital Review of Expenditure 2015 – 2020***

DJEI Capital supports are provided via the following

- Enterprise Ireland
- IDA Ireland
- Science Foundation Ireland
- Local Enterprise Development ( i.e. the newly established Local Enterprise Offices)
- The Programme for Research in Third-Level Institutions
- National Standards Authority of Ireland
- Tyndall National Institute
- InterTrade Ireland
- Interreg Programme
- Temporary Partial Loan Credit Guarantee Scheme

**DJEI Capital Allocations and Expenditure 2009 – 2013**

	2009	2010	2011	2012	2013	2014
Total Capital Allocation	€499.9m	€488.9m	€502.4m	€504.5m	€479.5m	€465m (inc. €23m capital carryover)
Expenditure	€493.38m	€489.35m	€484.97m	€471.57m	€455.98m	

(inc. virements)						
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**Notes:** 1. Includes Capital Carryover and Virements sanctioned in-year by D/Finance and D/PER.

2. The Programme for Research in Third-Level Institutions transferred in May 2010 from DES with €19.93m expenditure incurred by DJEI to end 2010. Therefore the 2010 allocation was effectively a €20m reduction on 2009 provision.

As indicated, D/PER has instructed that the allocations set out in the 2014 REV should form the basis for the Capital Review. DJEI’s Capital Expenditure allocations as published in 2014 REV are: 2015: €454m, 2016: €451m (PER has advised that the 2016 allocation holds for the remaining years to 2020). D/PER has asked that in undertaking the Review Departments should explore the following three Capital envelope scenarios

- (a) Scenario 1 – An allocation of 110% of the published allocations
- (b) Scenario 2 – A “no change” scenario; and
- (c) Scenario 3 – An allocation of 90% of the published ceiling

***Summary of Department’s response to the Capital Expenditure Review***

The Department in its response set out in detail the impacts that the aforementioned three scenarios would have in relation to capital programmes of each of the agencies to whom it provides capital supports.

It would also significantly help to maintain the range of research and innovation supports that are critically important to assisting the export led recovery, increase human capital development in areas of strategic need and assist further job creation. A modest increase in Exchequer funding through DJEI would also likely lead to significant increased industry and EU investments being won by Ireland as a consequence.

The response also pointed out that strength in global demand for goods and service is returning and there are significant opportunities for existing and new Irish firms to develop to meet that demand. The exports which will drive future economic growth are likely to be in sectors closely associated with research, development and innovation activities. There is a

clear and definite link between the Public Capital Programme, enterprise support and the ability of IDA to market Ireland to its fullest potential as an investment location.

D/PER has advised that the Current and Capital Review submissions from all Departments will be analysed, following which a menu of options will be forwarded to the Government for its consideration. D/PER expects Government to reach decisions in relation to the options presented before the summer recess.

D/PER has advised that the outcome of the Reviews will be reflected in the Comprehensive Expenditure Report which will be published as part of Budget 2015 and a new Medium Term Capital Investment Framework 2016-2020 which will also be published at that time.

**4.2 Staff Reductions and the Employment Control Framework**

Summary:

Numbers serving in the Department have dropped from 1,075 at the end of 2008 to 783 as at 13<sup>th</sup> June 2014. Even allowing for the transfer of functions and associated staff to the Departments of Education & Skills and Social Protection during that period and the arrival of the Equality Tribunal - which reduced the numbers in the Department by approximately 66 net - the Department has lost over 200 staff since the moratorium on recruitment was introduced without replacement. A further 16 posts will have to be lost in the Department by the end of 2014 in order to meet the Employment Control Framework (ECF) target of 767. These reductions in staffing levels have meant that in many areas staff have taken on increased and/or additional responsibilities.

The following headline figures summarise the downsizing of the Department between 2008 and 2014:

Authorised number end 2008 = 1,102	Numbers serving end 2008 = 1074.93 FTE <sup>5</sup>
ECF ceiling end 2014 = 767	Numbers serving end 13 <sup>th</sup> June 2014 = 782.91 FTE

<sup>5</sup> Full Time Equivalents (i.e. 2 staff working a half week each = 1 FTE)

Numbers serving in Offices of the Department at end 2008 and end May 2014

Office	Numbers serving end 2008	Numbers serving end 13 <sup>th</sup> June 2014
Companies Registration Office/Registrar of Friendly Societies	133.81	99.81
Labour Court	38.50	23.20
Labour Relations Commission	47.60	41.40
Patents Office	60.10	43.46
Office of the Director of Corporate Enforcement	36.50	35.30
National Employment Rights Authority	130.33	107.63
Equality Tribunal	N/A	25.33

Overall Position:

Since the introduction of the moratorium on recruitment and promotions in March, 2009, followed by other schemes to facilitate reductions in the Civil and Public Service, the Department has experienced a decrease of over 20%<sup>6</sup> in its staff resources while experiencing no diminution of the level and range of services it is required to provide. Under the terms of the Employment Control Framework (ECF), the Department is expected to further reduce its staffing numbers to 767 by end-2014 and it is likely that between retirements and staff opting to redeploy to other Departments/Agencies we will get very close to reaching this target. However, that assumes that there are no replacements sought at any level or in any post, and that may not be tenable in a small number of cases (e.g. Head of a key Business Unit or a legal expert in the ODCE) nor does it take account of any additional essential recruitments (e.g. Accountants for the ODCE or the extra Division for the Labour Court to take over the work of the Employment Appeals Tribunal as part of the Workplace Relations Reform agenda). In aggregate, therefore, if the Department were to fail to meet its ECF target we may have to consider using LIFO (Last In First Out) to oblige staff to exit the Department to meet the challenging ECF target unless some latitude were afforded us.

As a result of the decrease in staffing, there are significant pressure points developing across the Department (as well as in some downsized Agencies (e.g. SFI)). However, given the depletion of our staffing resources over the last several years it has not been possible to assign

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<sup>6</sup> The figure takes account of the fact that certain functions were transferred from this Department to the Departments of Education and Social Protection in May 2010 and January 2011.

a sufficient number of staff to some areas to date (e.g. Intellectual Property Unit, Employment Rights Bodies, CRO, Office of Science & Technology, Company Law). Management continues to monitor business demands/flows and avail itself of Business Process Reviews (BPRs) in key areas to identify means of streamlining current processes. For example, the Workplace Relations Commission Reform (affecting the Labour Court, Labour Relations Commission, NERA, EAT and Equality Tribunal) should, once completed and the EAT is subsequently wound up, yield a staff dividend of 20+ posts.

Of concern, in addition to the pressures outlined above, will be the Department's capacity to respond to new priority issues as they emerge. For example, the Department redeployed 6 staff to work in the Office of the Director of Corporate Enforcement to assist with the investigation into Anglo Irish Bank. However, in the ever-tightening staffing situation, the Department's ability to redeploy staff resources to deal with new issues, while continuing to deliver on existing commitments, is severely constrained.

The dissolution of Forfás and its integration into the Department will see an additional 60 posts transfer from Forfás to the Department together with the work being done by the staff concerned.

*Departmental Agencies:*

In addition, the Department is working with its family of State Agencies on strategies to deliver a reduction in targeted staffing levels from 2,156 at end-2010 to 1,653 by end-2014 across our Agencies (these figures include the CEBs with 122 posts that have recently moved to the Local Authority systems under the "LEO" restructuring, as well as Forfás). At this time a number of smaller Agencies cannot reasonably be expected to reduce further if they are to deliver their mandates (e.g. the Competition Authority, SFI, IAASA etc.). Therefore, the 2014 round of reductions have fallen to be delivered, in the main, by EI (downsizing from 650 to 586 – including the carryover of its own "missed" target for 2013), the HSA and the NSAI. This is an ongoing exercise which is being led by the Management Board together with the Chief Executives of the respective Agencies.

Accommodation:

The Department and its Offices' network are spread across a number of buildings and the Department is actively working with the OPW on a number of relocation projects as follows:

- Forfás move to the Department's offices in Kildare Street (with some colleagues joining Business Units in Davitt House and Earlsfort Centre)
- New premises for the Competition and Consumer Commission being formed from a merger of the Competition Authority and the National Consumer Agency
- The housing of the WRC family (Labour Court, LRC, NERA and Equality Tribunal) in Lansdowne House
- CRO move from Parnell House in Q3 2015 as the lease on its current premises is being surrendered by OPW
- Relocation options for Departmental staff in Davitt House where the lease is being surrendered by OPW in Q3 2015.

## *Section Five - Legislation*

### **5.1 Legislation arising from Programme for Government**

#### **Competition and Consumer Protection Bill 2014**

This Bill gives effect to two Programme for Government commitments viz. regulating certain practices in the grocery goods sector and the amalgamation of the Competition Authority and the National Consumer Agency (in the context of agency rationalisation). This Bill was published on 31 March and has completed Second and Committee Stages in Dáil Eireann. Report and Final Stages were completed on 2 July. The Bill completed Second Stage in the Seanad on 8 July 2014. Committee Stage is scheduled for 10 July. It is hoped to have the Bill enacted by the summer recess.

#### **Industrial Relations (Amendment)(No.2) Bill – Collective Bargaining**

The Programme for Government contained a commitment to reform the current law on employees' right to engage in collective bargaining (the Industrial Relations (Amendment) Act 2001), so as to ensure compliance by the State with recent judgments of the European Court of Human Rights.

Extensive discussions took place with both sides of industry over the past year and an agreed paper was submitted to Government in May 2014 seeking approval to move to drafting. On 13 May last the Government approved the immediate drafting of Heads of Bill subject to such amendment and further provision as may be required having regard to the advices of the Attorney General and her Office. It is hoped to have the Bill enacted in the Autumn.

### **5.2 Legislation currently before the Oireachtas**

#### **Companies Bill 2012**

This Bill will consolidate the existing 16 Companies Acts, as well as other regulations relating to the incorporation and operation of companies, into a single Act of over 1,430 sections. Its provisions cover the incorporation of companies, corporate governance, duties of directors and secretaries, financial statements and auditors, receivers, reorganisations and examinerships, windings-up and compliance and enforcement. The provisions are brought together in a coherent manner that will facilitate business people in incorporating and operating companies on a day-to-day basis. The Bill is split into two parts: "Volume 1", which contains all of the law applicable to the new private company limited by shares and "Volume 2", which contains the law applicable to all other company types.

The Bill was published in December 2012 and was passed by Dáil Eireann in April 2014 with over 400 amendments. The Bill is currently before the Seanad where it completed Committee Stage on 17 June 2014. Report Stage is expected to be taken in the Autumn. Once enacted the necessary Commencement Orders will be prepared.



### **Industrial and Provident Societies and Friendly Societies (Miscellaneous Provisions) Bill 2013**

The objective of this Bill is to provide a number of regulatory improvements to Industrial and Provident Societies Acts (pending a more fundamental root and branch review of the legislation which dates, in the main, to the 1890s) and to make a number of changes to the Friendly Societies legislative framework. The Bill completed Report and Final Stages in the Seanad on 5 June 2014. Report and Final Stages in the Dáil were completed on 9 July 2014.

## **5.3 Legislation where Heads of Bill previously approved**

### **Workplace Relations Bill 2014**

The Workplace Relations Bill will give legislative effect to a new two-tier Workplace Relations structure which will comprise of two statutorily independent bodies replacing the current five. There will be a new single body of first instance to be called the Workplace Relations Commission (WRC) and a separate appeals body, which will effectively be an expanded Labour Court. A significant amount of work has been completed on the preparation of the legislation which will give statutory effect to the new structures and associated processes. The Draft Scheme of the Workplace Relations Bill was approved by Government for priority drafting in July, 2012. The OPC provided the Department with a stamped copy of the Bill on 23<sup>rd</sup> June, 2014 and the text of the Bill was approved by Government for publication at its meeting on 8<sup>th</sup> July, 2014.

The Workplace Relations Bill will provide for the following measures; the services of the Equality Tribunal, the National Employment Rights Authority, the Labour Relations Commission and the first instance functions of the Employment Appeals Tribunal (EAT) to come together under the remit of the WRC. The appellate functions of the EAT will be amalgamated into an expanded Labour Court; the establishment of the Office of Director General of the WRC; the staffing of the WRC by officials from the Department of Jobs, Enterprise and Innovation; a statutory basis for the use of innovative measures such as Compliance Notices and Fixed Charge Notices to enhance the compliance functions of the WRC; the sharing of employment related and other specified information between the WRC, the Labour Court and other official agencies in the context of promoting compliance with employment legislation; the appointment of additional members to the Labour Court to facilitate the increased workload of the Court in the new system; a new more transparent system of appointment of adjudicators of the WRC and Chairs, Vice-Chairs and Ordinary members to the Labour Court; a new streamlined system for the enforcement of awards under employment legislation; better enforcement of employment rights awards and better compliance and enforcement measures for employment rights.

### **Intellectual Property (Miscellaneous Provisions) Bill**

This Bill will expand the research exemption for medicinal products, and will also implement the Singapore Treaty on Trade Marks. The Bill is currently with the Office of the Parliamentary Counsel (OPC) for formal drafting since the approval of the Heads of Bill, which is complete on the Trade Marks aspects but the patents aspects are still to be finalised.

## **5.4 Other legislation under consideration**

The operation of the **Credit Guarantee Act 2012** and the **Credit Guarantee Scheme 2012** (SI No 360 of 2012) were reviewed in 2013 by external consultants due to a substantially lower than anticipated take-up of the Scheme. A Steering Group chaired by DJEI (with membership from the Department of Finance, Central Bank of Ireland, Credit Review Office, Enterprise Ireland, Forfás and the Department of Public Expenditure and Reform (DPER)), considered the external review in detail and made a number of recommendations for changes to the Act and the Scheme to the Minister. The Minister brought the external review and his findings and conclusions to Government on 17 June 2014, with a draft general Scheme for the Credit Guarantee (Amendment) Bill 2014. The main purpose of the proposed Bill is to improve the State guarantee by enhancing the sharing of risk and to include a wider range of providers of financial products to SMEs, and a wider range of products. The Action Plan for Jobs 2014 commits to enacting this legislation by end Q3 2014.

An **Amendment of the Constitution Bill** will be required to amend Article 29 of the Constitution, to recognise the International Agreement on a **Unified Patent Court**. The General Scheme of this Bill is currently being prepared by the Department, and is expected to be submitted to Government for approval in July 2014.

Work on a **Consumer Rights Bill** is starting which would, inter alia, give effect to the recommendations of the Sales Law Review Group report of 2011. The Heads are expected to be ready by early 2015.

A **Data Sharing Bill** to underpin better risk-based enforcement, efficiency and cooperation in business regulation, by allowing specified public bodies to share specified data relating to businesses. The Public Sector Reform Plan includes a number of initiatives that may impact on the drafting of this Bill, including responsibility for delivery. These need to be clarified as does the impact of legislative proposals to improve data sharing and data governance in the public sector being prepared by the Department of Public Expenditure and Reform.

An amendment to the **Hallmarking Act** is being finalised to allow for hallmarking of palladium and mixed metals in Ireland and allow off-site/off-shore marking by the Irish Assay Office. The Heads are expected to be ready by Q2/3 2014.

An amendment to the **Casual Trading Act** is being considered to bring it into line with the requirements of the EU Services Directive. The Heads are expected to be ready by end 2014/early 2015.

### **Personal Injuries Assessment Board (Amendment) Bill**

The objective of this Bill is to introduce a number of amendments to improve the operation of the Act and to provide clarity with regard to certain provisions.

**The Accounting Directive (2013/34/EU)**, adopted on 26 June, 2013, which represents an updating and amalgamation of two previous Directives on accounting – the 4th Company Law Directive on annual accounts and the 7th Company Law Directive on consolidated accounts will require to be transposed by July 2015 through secondary legislation, in the main, possibly in combination with certain elements in primary legislation.

## 5.5 EU Legislative Proposals

- A proposal for a Regulation amending EU Council Regulation 1346/2000 on **insolvency proceedings** was published on 12th December 2012. (This impacts on both this Department's corporate insolvency regime and the Department of Justice's personal insolvency and court rules regimes. The proposal is appropriate to the EU Justice and Home Affairs Council).
- A Proposal for a Directive amending Council Directives 78/660/EEC and 83/349/EEC as regards **disclosure of non-financial and diversity information** by certain large companies and groups was issued on 16 April 2013.
- A Proposal for a Directive of the European Parliament and of the Council amending Directive 2007/36/EC as regards the **encouragement of long-term shareholder engagement** and Directive 2013/34/EU as regards certain elements of the corporate governance statement was issued on 9 April 2014.
- A Proposal for a Directive of the European Parliament and of the Council on **single-member private limited liability companies** was issued on 9 April 2014.

### Secondary legislation

- Transposition of Directive 2012/17/ EU of the European Parliament and of the Council of 13 June, 2012 amending Council Directive 89/666/EEC and Directives 2005/56/EU and 2009/101/EC as regards the **interconnection of central, commercial and companies registers**.

## *Appendix I - Provisional Trade Mission Programme*

### **Trade Mission Programme to drive exports and facilitate trade**

At the heart of the Action Plan for Jobs is a determination to drive an export led recovery. Every opportunity should therefore be taken to ensure that export promotion is paramount.

A schedule of Ministerial led trade missions/events in September – December 2014 is shown under. Other engagements will include meeting incoming delegations/Ambassadors and working closely with EI on Trade initiatives.

### ***Draft Trade Mission/Event Programme September – December 2014***

<b>Dates</b>	<b>Location/Event</b>	<b>Minister</b>
W/C 1 <sup>st</sup> Sept Dates TBC	Sydney & Melbourne - Software & Services Trade Mission	Jobs, Enterprise and Innovation
Oct 7 - 9	Madrid MRO Europe Aviation Exhibition and related activities	Transport, Tourism & Sport
Oct 6 - 8	Mexico Market Study Visit accompanied by Ministerial visit.	Trade & Development
Oct 13-15	West Africa Trade mission - Nigeria + Ghana – Trade visit	Trade & Development
Oct 20 – 23	Turkey - Istanbul and Ankara Trade Mission	Small Business
November Dates TBC	China Beijing, Xian, Wuhan - Education Mission - Tentative -	Education & Skills
Nov 13	London Financial Services & BPO Trade event -	Tánaiste
Nov 15 - 19	India Education Mission	Education & Skills
Nov 24 - 29	Australia Perth & Brisbane - Construction & Engineering Trade Mission	Trade & Development

Trade Missions being led by Ministers of the Dept of Jobs, Enterprise and Innovation are highlighted.

**Summary**

**EU Presidencies**

- 2014: Greece and Italy
- 2015: Latvia and Luxembourg
- 2016: Netherlands and Slovakia
- 2017: Malta and United Kingdom

**Current significant EU issues of Departmental interest**

- Mid-term review of Europe 2020 Strategy – coordinated by D Taoiseach
- Employment Guidelines 2015 – 2020 (linked with the EU 2020 mid-term review)
- Outlook for Council agreement to give legal effect to Social Partner agreements at sector level ( link to REFIT Better Regulation programme)
- Free Trade Agreements – notably the Transatlantic Trade and Investment Partnership (TTIP)
- Industrial Competitiveness and mainstreaming competitiveness across other Council formations
- Single Market and the Services Directive ongoing implementation and compliance issues
- Review of the Community Trade Mark Directive and the Community Trade Mark Regulation – adoption of the text by Council and the EP
- Adoption of the Directive on Trade Secrets – commencement of trilogues with the EP
- Unified Patent Court – This is an international Agreement (see IPR material under chapter on Innovation and Investment Division)
- State Aid Modernisation Package – for finalisation July 2014
- Small Business Act Review in conjunction with SME Envoy Network<sup>7</sup> consultation
- COSME - national roll-out of Programme
- Implementation of Horizon 2020 (the EU’s Framework programme for research and innovation)
- Completion and stock-taking of actions for the achievement of the European Research Area (ERA) by end 2014
- Better regulation and administrative burden agendas
- Engagement with EU Institutions including attendance at EP plenary sessions, Strasbourg

**Italian Presidency**

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<sup>7</sup> Minister John Perry, Minister for Small Business is Ireland’s SME Envoy

- Key issues (non-exhaustive) likely to include:
  - Mid-term review of Europe 2020 and key Flagships (including reflections on fourth Semester outcomes)
  - Review of Small Business Act
  - Ongoing implementation of priorities under the Single Market Act
  - Ongoing monitoring of EU Competitiveness
  - Focus on Industrial policy and mainstreaming industrial policy into all EU policy making
  - Focus on access to finance for SMEs
  - Free Trade Agreements – completion of agreements with Canada and Singapore, negotiations continuing with the United States, and reopening with Mercosur
  - Horizon 2020
  - European Research Area developments and space policy
  - Intellectual Property legislative items- (1) Trade Secrets Directive and (2) Review of the Community Trade Mark Directive and the Community Trade Mark Regulation
  - White Paper on Copyright expected mid-July 2014
  - Consumers and competition policy areas incl. possibly Consumer Product Safety Regulation and Market Surveillance Regulation Package
  - Company Law legislative Programme
  - Youth employment
  - Social dimension of the EU/EMU (automatic stabilisers) - DSP
  - Poverty & Inclusion -DSP
  - The social economy
  - Green Growth
  - Health & Safety in the Workplace:- Council Conclusions

**Completion of open dossiers including:**

- EURES -DSP
- Undeclared Work Platform – DJEI leads
- Seafarers Directive (working tome) - DJEI
- Anti-discrimination Directive – DJ+E

**European Council**

- Next meetings 23/24 October and 18/19 December
- Department of Taoiseach takes the lead, DJEI inputs.
- Key issues for the Council include Annual Growth Survey debate; Climate Change and Energy; Growth and Competitiveness issues; youth unemployment

**Council formations of Departmental interest**

- Competitiveness Council: next meetings:
  - **21/22 July**: Informal meeting hosted by the Italian Presidency in Milan. Key issues for Industry meeting include industrial competitiveness. Key issues for the Research meeting include policy debate on Research Infrastructures

- **25/26 September:** Key issues for Industry and Internal Market meeting include the Trade Mark Package, (poss) policy debate on the Product Safety Package, stock-take on Europe 2020 and mainstreaming of industrial competitiveness policies.  
Key issues for Research meeting include EC Progress Report on European Research Area and a policy debate; Europe 2020 Mid-term review policy debate.
- **4/5 December:** key issues for Industry and Internal Market meeting include Product Safety Package and (poss) policy debate; Company Law files; Adoption of council conclusions industrial competitiveness; policy debate on European SMEs Small Business Act.  
Key issues indicated for Research meeting include a Policy debate on Science in Society, Council Conclusions on cooperation with Med countries, Council conclusions on ERA and Conclusion conclusions on R&I 4 Growth.  
Key issues for Space Council: policy debate on EU-US Relations; progress report on Directive on identification and the dissemination of high resolution Earth observation satellite data for commercial purposes.
- Employment, Social Policy, Health and Consumer Affairs (EPSCO); next meetings
  - **17/18 July:** Informal hosted by the Italian Presidency: The Italian Presidency proposes to convene a joint meeting of Employment and Environment Ministers with a focus on Green Jobs on the occasion of the Informal Council Meeting to take place on 17-18 July in Milan. The discussion is expected to draw on the Communication on Green Jobs which the Commission is expected to adopt on 1st July.
  - **16 October:** Review of fourth Semester and outlook for mid- term review of Europe 2020 especially as regards new cycle for the Employment Guidelines;
  - **11 December:** Exchange of views on Annual Growth Survey 2015 (AGS), draft Joint Employment Report (JER) and Alert Mechanism Report (AMR); Youth employment policy debate.

**NOTE** The focus of this Council's work is on the implementation of labour market policies (activation, skills, gender targets, youth employment) that now fall primarily within the responsibility of DSP, D/Education and Skills and D/Justice and Equality, yet we still retain the lead coordinating role. While the Minister for Jobs Enterprise and Innovation has the lead role in relation to the European Semester process at the EPSCO Council, this is somewhat anomalous as the main labour market policy, activation and vocational education and training measures fall under the responsibility of other Ministers. This anomaly will become more acute as the implementation of Ireland's country specific recommendations comes under

scrutiny

- Trade Council: next meeting
  - **14/15 October**: Informal meeting hosted by the Italian Presidency in Rome. Key issues to include TTIP, in particular, investor state dispute settlement, following the Commission's stakeholder consultation. An EU-US business summit is also scheduled to be held to coincide with this informal Ministerial meeting.
  - **21 November**: key issues to include WTO negotiations, TTIP, Canada and Singapore.

## Directives

Currently no Directives are overdue. Significant daily financial penalties can now be imposed for late transposition. Sixteen Directives fall to be transposed up to 2016 in the following areas:

### Company Law

- interconnection of central, commercial and companies registers
- annual financial statements, consolidated financial statements and related reports on certain types of undertakings
- statutory audits of annual accounts and consolidated accounts

### Health and Safety

- making available on the market of pressure equipment
- equipment and protective systems for use in potentially explosive atmospheres;
- exposure of workers to risks arising from physical agents (electromagnetic fields)

### Chemical Policy

- classification, labelling and packaging of substances and mixtures ("Chemicals Handling")
- control of major accident hazards involving dangerous substances

### Employment Rights

- posting of workers

### Intellectual Property

- Certain permitted use of orphan works

### Competition and Consumer Policy

- harmonisation of the laws of Member States relating to Electrical Equipment designed for use within certain voltage limits
- harmonisation of the laws of Member States relating to simple pressure vessels
- harmonisation of laws of Member States relating to lifts and safety components for lifts

### Standards

- harmonisation of laws of Member States relating to electromagnetic capability
- harmonisation of laws of Member States relating to non-automatic weighing



instruments

- harmonisation of laws of Member States relating to measuring instruments

A further 2 Codified directives which have no timescale, fall to be transposed.

### **EU Semester**

- 2014 Semester Process commenced with adoption by the Commission of the Annual Growth Survey in November 2013 followed by debates in various Council formations including Competitiveness Council and EPSCO Council
- In April 2014 Ireland submitted its National Reform Programme and Stability Programme to the Commission
- In June 2014 the Commission issued 7 Country Specific Recommendations for Ireland, including one related to access to finance for SMEs
- During June, examination of CSRs by various Council committees and approval by Councils including EPSCO, ECOFIN and GAC
- 8 July adoption of CSRs by ECOFIN

## **Introduction**

### **Current Presidency of European Union**

The Italian Presidency (July to December 2014) is the first of the current trio Presidency (comprising Italy, Latvia and Luxembourg). Their Presidency comes in the middle of the transition from one legislative cycle to another. The newly elected European Parliament will resume work in July, the new Commission and the new High Representative should take office in November, whereas the European Council will be chaired by its new President from 1 December 2014.

### **Key issues of strategic importance for this Department in the short-term are:**

### **Europe 2020 Strategy and European Semester**

The ongoing implementation of the Europe 2020 Strategy is an overarching priority for the current Presidency. Following Ireland's exit from the Troika Programme, we are now back in the European Semester process proper. Ireland submitted the National Reform Programme (NRP) to the Commission on 17 April and its Stability Programme on 29 April. In early June

the Commission issued 7 country specific recommendations (CSRs) for Ireland and other Member States. These CSRs were examined by various Council Committees and approved by the EPSCO, Ecofin and GAC Councils. The CSRs are due to be adopted by Ecofin on the 8<sup>th</sup> July.

The Semester is essentially the policy cycle of EUROPE 2020: The European strategy for smart, sustainable and inclusive growth. This Strategy is designed to enhance the EU's growth potential and deliver high levels of employment, productivity and social cohesion.

To track progress the Commission proposed five headline targets for the EU namely employment, R&D, Climate change and energy, education and poverty and social exclusion.

These are translated into national targets by each Member State, reflecting their different starting points and the diversity of situations across the EU. These targets are monitored through the NRP process. Cumulative Member State targets should attain the EU headline targets overall. The 2014 Semester process for economic policy coordination commenced on November 2013 with the adoption by the Commission of the Annual Growth Survey (AGS). The cycle will begin again in November 2014 with the adoption and subsequent Council debates on the AGS for 2015.

A review of the Europe 2020 targets is due to commence in the Autumn with the Italian Presidency and as part of that review, it is anticipated that Ireland's Headline Employment Rate Target will be considered. DJEI is responsible for coordinating inputs in this regard.

The Italian Presidency intends to promote a horizontal focus on the mid-term review of the EU 2020 strategy by affording almost all Council formations an opportunity to contribute to the debate. The Presidency will present a roadmap to outline their plans and Ministers will be invited to debate the current strategy with a view to identifying the elements which have not been successful, areas that can be improved and the main hurdles that remain. These discussions will feed into the GAC in early December and possibly the European Council. Presidency does not foresee Council conclusions on the EU 2020 Strategy apart from responses to some flagship initiatives.

### **SME issues**

#### **State Aid Modernisation Programme (SAM)**

On 8 May 2012, the Commission set out an ambitious State aid reform programme – State Aid Modernisation (SAM). The aim of this reform programme is to ensure State aid control effectively target sustainable growth-enhancing policies while encouraging budgetary consolidation, limiting distortions of competition and keeping the single market open. All regulations and guidelines have been reviewed, revised and in some cases consolidated.

The State Aid Modernisation (SAM) programme will necessitate an adjustment to the revised State aid landscape – more responsibility for aid control will rest with Member States. The extension of the General Block Exemption Regulation (GBER) offers greater potential to provide support to enterprise but there is also more emphasis evaluation procedures and transparency of State aid awards.

The shift from ex ante to ex post control will require significant engagement from State Aid Unit with DG Competition, the enterprise agencies and wider Government Departments. State Aid Unit will work with the Commission and national stakeholders to ensure the appropriate procedural mechanisms are in place to monitor national performance and compliance with EU State aid rule.

### **Programme for the Competitiveness of Enterprises and SMEs (COSME)**

The proposal of the European Commission for a programme for the Competitiveness of enterprises and SMEs (COSME) aims at encouraging the competitiveness of European enterprises. With small and medium-size enterprises (SMEs), current and potential entrepreneurs and business support organisations as its main targets, the programme will provide better access to finance, deliver business support services and promote entrepreneurship.

The Programme will run from 2014 to 2020 with a budget of € 2.23 billion.

COSME, together with the Horizon 2020 research programme, will replace the current Competitiveness and Innovation Framework programme (CIP). It will support all kinds of SMEs. But whereas Horizon 2020 will focus on business start-ups COSME will focus on their growth.

CIP ran from 2007-2013 with an overall budget of €3621 million. With small and medium-sized enterprises (SMEs) as its main target, the CIP aimed to support innovation activities (including eco-innovation), provide better access to finance and deliver business support services in the regions.

The COSME programme will ensure continuity of initiatives and actions already undertaken by the CIP programme, building on the results and lessons learnt. While many successful features of the CIP will be continued, access to the programme will be simplified to make it easier for entrepreneurs and SMEs to benefit from it.

The COSME programme will support, complement and coordinate actions by the Member States. The programme will specifically address problems of a transnational nature which, by means of economies of scale or by their demonstration effect, can be more effectively addressed at the European level, such as (a) overcoming market fragmentation in the Single Market and (b) facilitating the adoption of best practices across all Member States.

Expected results arising from the expenditure on COSME are (i) easier access to finance for entrepreneurs and small businesses, (ii) more prominent role for self-employment and business development as important sources of growth and job creation, and (iii) in individual EU countries: a more competitive industry, more entrepreneurs and higher employment rates.

The budget for COSME, while comparatively small in relation to other enterprise facing programmes, provides some opportunities for improving access to finance for SMEs and augmenting the important support service delivered by the EEN Ireland (managed by EI).

The current support structure for SMEs seeking support in accessing EU funding programmes is provided by DJEI in conjunction with Enterprise Ireland (National Support Network – 32 National Contact Points drawn from ten agencies). As stated above, the Enterprise Europe Network Ireland office is funded through COSME and will be a constituent member of the National Support Network.

## **Small Business Act for Europe (SBA) and SME Envoy Network**

The Small Business Act (SBA) for Europe was adopted in June 2008 and updated in February 2011. It provides a comprehensive policy framework for actions in favour of European SMEs both at the EU level and in Member States.

Rather than being a legislative Act as such, the SBA and its Review are both Commission Communications containing a number of legislative proposals, 10 guiding principles and measures to be implemented at EU and Member State levels with the aim of helping SMEs.

While acknowledging that much has already been done in terms of putting the needs of SMEs to the forefront of EU policy, the SBA Review signals that more needs to be done, through further significant measures to release the full potential of SMEs.

It also recognizes that future policies addressing the needs of SMEs should fully recognize the principles of subsidiarity and proportionality.

In terms of implementation, the SBA has been fully embedded in the Lisbon Agenda Growth and Jobs Strategy 2008-2010 and also in the Europe 2020 Strategy to ensure its efficient implementation and to allow for a regular update on its deliverables.

A review of the Small Business Act will be undertaken by the Commission in 2014 which will include a public consultation process.

## **SME Envoy Network**

Since 2011, and as part of the Review of the SBA, the role of SME Envoy was established whereby the Commission invited Member States to nominate a national SME Envoy to complement the role of the European Commission's SME Envoy. Together with representatives of EU-level SME business organisations, the Network of SME Envoys make up the SBA advisory group.

In most Member States, the national SME Envoy represents the Ministry or Agency with the remit of SME Policy. Ireland is one of the few Member States who have appointed a Minister as their SME Envoy, i.e. Mr. John Perry, T.D., Minister for Small Business.

The objective of the SME Envoys, through the SME Envoy Network, is to provide an authoritative voice on SME issues across the EU. It focuses on strategic issues related to the SBA implementation and provides integral view on EU policy, which may have an impact on EU SMEs. The SME Envoy Network also reports to the COMPET Council in relation to progress on the implementation of the SBA across Member States.

### **Commission White Paper on Copyright**

Following a consultation process carried out in late 2013/early 2014, the European Commission proposes to issue a White Paper on Copyright by mid-July 2014. The objective of the paper will be to set out the legislative and non-legislative initiatives the Commission considers necessary to modernise copyright and make it a better fit for the digital age. This speaks also to the need to develop the environment to improve conditions for the growth of innovation in the EU especially in the context of the transaction of cross-border business.

### **Single Market**

The EU Internal Market is an area without internal borders designed to ensure the free movement of goods, services, capital and persons, the so-called Four Freedoms. The completion of the Internal Market is a continuous exercise and is a central element of the European growth agenda to address the economic crisis. Building the Digital Single Market and the Digital Agenda are key elements of the EU's Single Market Acts 1 and 11. Ireland belongs to a Single Market Like-Minded Group whose core objective is to press for further liberalisation in services and addressing unjustified regulatory requirements which act as barriers to free movement of services.

### **Services Directive**

Work on the Services Directive will consist of two broad strands in 2014.

1. At national level-
  - (a) working with Divisions and Departments to conduct a second review of relevant national legislation for compliance, the expansion of the Internal Market Information (IMI) System for the Directive and the further enhancement of the National Point of Single Contact and Your Europe portal. The administration of the Irish SOLVIT Centre will continue to be a priority.

(b) raising awareness of the benefits of the Services Directive including the single market governance tools such as, Point of Single Contact<sup>8</sup>, Your Europe and SOLVIT through participation at key business related events, *Taking Care of Business* and the *Ploughing Championships*.

2. At EU level -

- (a) actively participating in the Like-Minded Group as stated above which is also aimed at highlighting opportunities of the single market, coordinating positions and promoting best practices across the Member States.
- (b) the ongoing implementation of the Services Directive, administrative cooperation mechanisms and governance issues are due to be discussed at varying high level EU fora during 2014.

## **Research and Innovation and Space issues**

### **Horizon 2020**

The EU Research Framework Programme is the main instrument through which EU research and innovation policy is funded and implemented. Ireland has traditionally done well under EU Research Framework Programmes. Most recently, Irish researchers secured our national target of €600m from Framework Programme Seven, which ended last year. The EU Framework Programmes are an important element in providing international linkages and enhancing the excellence of the Irish R&D system. They provide Ireland's SMEs, multinationals, and research institutions valuable opportunities to participate in high-calibre research collaborations with our European counterparts.

### **Horizon 2020 Strategy**

With a budget of just under €80 billion and covering the period 2014 to 2020, Horizon 2020 is the EU's new programme providing access to European funding to researchers, research organisations and industry to engage in leading edge research, thus facilitating European economic recovery. Horizon 2020 is a core part of Europe 2020 and is responding to the economic crisis by investing in future jobs and growth, addressing people's concerns about

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<sup>8</sup> The Points of Single Contact (PSC) are e-government portals for entrepreneurs active in the services sector. It is a legal requirement to have a PSC in each EU Member State since 2009 as set out in the Services Directive.

their livelihoods, safety and environment and strengthening the EU's global position in research, innovation and technology.

The National Horizon 2020 Strategy ( approved by Government in December 2013) sets out the challenges and opportunities arising in Horizon 2020, Ireland's strategic approach to maximise our participation, and arrangements for oversight and direction. The strategy was prepared in consultation with a Horizon 2020 High Level Group of Government Departments and Agencies whose remit includes research and innovation and is chaired by the Department of Jobs, Enterprise and Innovation. The High Level Group will oversee the implementation of this strategy and securing the maximum benefits for Ireland.

### **Target for Participation**

The Government has set an ambitious target for Irish researchers to win funding of €1.25 billion over the lifetime of Horizon 2020. It is important that an ambitious, but realistic, target be set for participation in Horizon 2020 in order to drive the fullest engagement by both the public and private sectors and maximise the benefits for Ireland. A comprehensive national strategy is in place to direct our engagement in Horizon 2020.

The areas in which Ireland has been most successful, in terms of EU research funding awarded (under FP7), are:

1. Information & Communication Technologies (€120m)
2. Marie Curie (€83m)
3. Health (€78m)
4. Nanoscience, Nanotechnology, Materials & Production Processes (€48m)
5. The European Research Council (€43m)
6. Food Agriculture and Fisheries, Biotechnology (€41m)
7. Research for the Benefit of SMEs (€34m)

There will be a substantial budget increase in Horizon 2020, of the order of 30% compared with FP7. A more strategic approach is required, aimed at participation in larger scale projects as well as playing a larger role in projects generally. The National Support Network will work with research performers to build consortia and partnerships to step up the scale of participation.



### **European Research Area (ERA)**

The EU Council and Commission have set a deadline of 2014 for completion of the European Research Area (ERA), which has been in planning and implementation stages since 2000. The ERA concept was launched at the Lisbon European Council in March 2000. The ERA's overarching rationale is to increase the performance, excellence and impact of Europe's R&D system.

The European Commission will publish a report on progress on completion of the ERA in September 2014. The report will be the subject of a policy debate at the September Competitiveness Council with Council Conclusions likely to be adopted at the December Competitiveness Council. Essentially, the objective of the Council and Commission is to ensure that by end 2014 the necessary policies and programmes will be in place across all of the EU Member States to make the achievement of the ERA a reality in the short to medium term.

### **European Space Agency**

Discussions about the evolution of future relations between the Union and the European Space Agency (ESA) commenced towards the end of 2012. Council Conclusions on this matter were adopted in 2013 (during the Irish Presidency) and in 2014 (during the Greek Presidency). It is anticipated that the Council will provide further orientations on the evolution of relations which may include amendment of the current Framework Agreement between EU and ESA and enhanced cooperation between both bodies.

### **Proposal for a Directive on the dissemination of Earth observation satellite data for commercial purposes.**

On 17 June the Commission published a Proposal for a Directive of the European Parliament and of the Council on the dissemination of Earth observation satellite data for commercial purposes. This proposal deals with the issue of defining and controlling high resolution satellite data in order to secure the proper functioning and development of the internal market for high resolution satellite data products and services by establishing a transparent, fair and consistent legal framework across Member States. This proposal is of limited interest to Ireland and the anticipated benefits are marginal at this point.

## **Copernicus Programme**

The Copernicus initiative reached a significant milestone with the successful launch of the Earth Observation satellite “Sentinel 1A” from ESA’s spaceport in French Guiana on 3rd April of this year. Using data from satellites and ground-based sensors Copernicus will provide timely and reliable, near real-time, added-value information and forecasting to support environmental monitoring, air pollution monitoring, maritime surveillance, maritime transport, agriculture and fisheries, land use and urban planning, forestry and forest fires, flooding and disaster response and border security. Copernicus has potential to benefit Ireland in terms of how we manage, utilise and protect our environment. Access to Copernicus data will result in greater resource awareness of environmental impacts and has potential to open up new business opportunities and support downstream services industry in Ireland.

While no legislative proposals are expected in relation to this programme in the medium term Delegation Agreements between the EU and ESA are expected to be negotiated during the latter part of 2014.

## **EPSCO issues**

### **Employment Guidelines 2015- 2020**

The Italian Presidency will work closely with the its Latvian successor in preparing the 2015 Employment Guidelines as they are expected to shift from the format which has remained stable through the past three years of crisis and to be the subject of a re-formulation within the EMCO preparatory committee beginning under the Italian Presidency. The preparatory work will also take account of the stocktaking on the Europe 2020 Strategy and the mid-term review of the Strategy.

### **Platform to Combat Undeclared work**

A Progress Report on the establishment of a platform on undeclared work was given at the EPSCO Council on 19<sup>th</sup> June and although a small blocking minority still exists, the Italian Presidency is confident that it can conclude the file at an early date. Ireland welcomes the approach being taken at EU level to addressing the problem of undeclared work. We consider do not see any subsidiarity issues arising and are satisfied that that, in light of the complexity and heterogeneity of informal or undeclared work, there is no simple solution to combat the problem and that the proposed Platform will operate in a flexible and co-operative manner.

Action at EU level is justified in order to enhance cooperation between the responsible national authorities, such as labour inspectorates, social security and tax authorities in particular, by exchanging information and best practices, to fight and deter undeclared work. A European platform on the lines proposed in the proposed instrument appears to all the Irish interests involved (DJEI, DSP and Revenue) to be an appropriate vehicle for enhancing cooperation between Member States.

### **Directive on removing exclusion of Seafarers from certain employment Rights**

The proposal for directive aims to extend employment rights to Seafarers through the removal of current exemptions affecting the application of current Directives notably in the area of information & consultation rights. While the objective is to normalise the status of seafarer in the context of globalisation, the negotiations on a new directive could give rise to problems in relation to the uneven application of enforcement regimes in the EU 28. DJEI will be responsible for steering negotiations although domestic responsibility for this sectoral category remains with the Dept of Transport.

### **Directive to give effect to EU Sectoral Social Partner Agreement on Working Time in Inland Waterways**

The draft Directive aims to give legal effect to a social partner dating from 2012 that lays down more specific requirements within the meaning of Article 14 of the current general Working Time Directive, providing some necessary flexibility that takes account of the commercialised inland waterways sector in Continental Europe. It is mainly relevant to commercial inland waterways activity within the Rhine, Meuse and Danube basins. The Directive will make the sectoral social partner agreement legally binding in the EU, in accordance with Article 155 of the Treaty on the Functioning of the EU. We should not be under any obligation to transpose the Directive as it will be without effect in our economy and employment law.

### **Trade Issues**

The Transatlantic Trade and Investment Partnership (TTIP) will be one of the key trade priorities of the Italian Presidency. TTIP will feature as the theme for the Informal Foreign Affairs Council (Trade) to be held in Rome 14-15 October, which will be preceded by an EU-

US business summit. In addition to TTIP, Italy will focus on opportunities in Asia. An EU-Asia business forum will be held on the margins of the ASEM Summit to be held in October.

### **Ministerial Attendance at Councils**

Of the nine current EU Council of Ministers formations, this Department takes the lead in the **Competitiveness Council, Employment Social Policy Health and Consumer Affairs (ESPCO) Council and the Trade Council.**

Ministers and Ministers of State act as “Head of Delegation” at formal meetings of these Councils in Brussels and occasionally Luxembourg and at informal meetings in the country holding the EU Presidency. The Competitiveness and ESPCO Councils meet in formal session on average four times each year and once in informal session in the country of the Presidency. One formal Trade Council is held per Presidency, and since the Irish Presidency in 2013, there has also been one informal session in the country of the Presidency. Responsibility for Ministerial attendance at EPSCO from DJEI has fallen exclusively on the Minister for Jobs Enterprise and Innovation as there is no delegation of responsibilities (as was the case prior to 2011) to a Minister of State in this policy field.

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- Next opportunities for Ministerial bi-lateral engagement with the Commission and EU counterparts will be:

- Informal EPSCO Council meeting 17/18 July in Milan
- Informal Competitiveness Council meeting 21/22 July in Milan
- Informal Trade Council meeting 14/15 October in Rome

**Formal Councils (of relevance to this Department):**

Competitiveness Councils		ESPCO Councils		Trade Council	
DATE	TOPIC	DATE	TOPIC	DATE	TOPIC
25/26 Sept	Key issues include Trade Mark Package (poss) policy debate; Product Safety Package (poss) policy debate; Europe 2020 stock-take. Key issues for the research meeting include a EC Progress Report on ERA and (poss) policy debate; Europe 2020 Mid-term review policy debate.	16 October	Key issues include the review of the fourth semester and outlook for mid-term review of Europe 2020 as regards new cycle for the Employment guidelines	21 Nov	Key issues include conclusion of free trade agreements with Canada and Singapore, as well as discussion on TTIP and poss discussion on EU-Mercosur negotiations.
4/5 Dec	Key issues for the industry and internal market meeting include Product Safety Package (poss) policy debate; Company Law files; Adoption of council conclusions on industrial competitiveness; Policy debate on Small Business Act. For the research meeting key issues include policy debate on Science in Society, Council Conclusions on (1) cooperation with Med countries, (2) on ERA and (3) on R&I 4 Growth	11 Dec	Key issues include Exchange of views on Annual Growth Survey (AGS), draft Joint Employment Report (JER) and Alert Mechanism Report (AMR); Youth employment policy debate.		

European Council (Heads of State) - 23/24 October and 18/19 December

The Department of the Taoiseach lead and co-ordinate on the European Council with inputs from other Government Departments as required. There will be two Councils held in the second half of this year and they will likely address (1) Annual Growth Survey debate (2) Climate Change and Energy and (3) Growth and Competitiveness issues (4) youth unemployment (5) Better Regulation.

## **Implementation of EU Directives**

The Department is constantly working to maintain our national reputation and position by ensuring that EU Directives are transposed and implemented within the deadlines. Failure to implement Directives properly and on time, involve heavy financial penalties (new Commission procedures introduced last year) and time and resources dealing with legal procedures.

### **Current position on Directives**

- Sixteen Directives to be transposed up to 2016
- Two codified Directives to be transposed (no deadlines)

## **Single Market Scoreboard**

The Single Market scoreboard measures, among other things, the rate of transposition amongst Member States. The European Council has set a transposition deficit deadline of 1% for Directives implemented although the Member States themselves strive for a more ambitious target of 0.5%. The most recently published Single Market Scoreboard (February 2014) indicates that Ireland currently has a transposition deficit of 0.7%. This places Ireland in 8<sup>th</sup> position overall.

## **Oireachtas Scrutiny of EU business**

The preparation of information notes for the Oireachtas is required under statute within four weeks of the receipt of new EU proposals. Co-ordination and tracking is ongoing. Greater scrutiny by Oireachtas Committees of EU proposals is provided for in the new Programme for Government.

## **Dossiers currently under consideration / negotiation at EU level**

- (a) **A proposal for a Regulation amending EU Council Regulation 1346/2000 on insolvency proceedings** was published on 12th December 2012. (This impacts on both this Department's corporate insolvency regime and the Department of Justice's personal insolvency and court rules regimes. The proposal is appropriate to the EU Justice and Home Affairs Council).

The EU insolvency regime does not harmonise insolvency laws across Member States but rather provides for mutual recognition and cross-border enforcement of national insolvency judgments. It determines which Member States' courts will have jurisdiction to deal with the insolvency, which Member States' national law will apply and ensures that Court judgments on one Member State (including appointment of a liquidator) will be recognised in all others.

The proposal to amend the existing Regulation, which has been in force since 2002, seeks to:

- codify European Court of Justice decisions on the concept of centre of main interest – or COMI- which is the determinant of which Member States' courts have jurisdiction
- increase the focus on insolvency proceedings which allow companies survive temporary crises rather than rushing to liquidate it unnecessarily
- increase cooperation between all parties (courts and insolvency practitioners) involved in related proceedings
- increase transparency of proceedings by linking national insolvency registers
- provide a structure to assist in insolvent group situations.

Difficult and detailed negotiations have been ongoing at Council Working Group level on this proposal for the past 18 months. On the 6<sup>th</sup> June 2014, Council considered a Presidency compromise text and this was agreed subject to technical issues being addressed. Ireland has one technical issue it wants addressed and we have received support to date from a number of other Member States. Council's approval of the compromise text clears the way for triologue negotiations to commence with the EU Parliament.

Ireland had welcomed the proposals as published in December 2012 but now has one concern. This relates to a late stage proposal from Germany to introduce a formal court mechanism governing the “rescue” of insolvent members of a group. This is based on a German national law and the move has been supported by the EU

Parliament. While other Member States initially opposed this measure, they are not willing to block it at Council. However, the German proposal, which is contained in the Presidency compromise text, contains sufficient opt-outs to ensure it will not be binding or overly restrictive in Irish situations.

**(b) A Proposal for a Directive amending Council Directives 78/660/EEC and 83/349/EEC** as regards disclosure of non-financial and diversity information by certain large companies and groups was issued on 16 April 2013.

The proposed Directive is designed to improve the transparency of certain large companies, as defined in the proposal, regarding their activities and policies in particular areas and to establish a consistent approach to non-financial reporting across the EU.

The intention is to introduce two new obligations –

- An obligation to disclose specified information on environmental, social and employees, respect for human rights, anti-corruption and bribery matters, in the ‘management report’ (i.e. the annual or “directors’” report). Where a company does not pursue policies in relation to one or more of these matters, it shall provide an explanation for not doing so; and
- An obligation to include specified information on the company’s diversity policy for its administrative, management and supervisory bodies in its corporate governance statement. If a company has no such policy, the corporate governance statement shall contain a clear and reasoned explanation as to why this is the case.

This draft Directive is due to be adopted shortly and it is intended to be incorporated into the Accounting Directive (2014/34/EU) for transposition.

**(c) A Proposal for a Directive of the European Parliament and of the Council amending Directive 2007/36/EC** as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement was issued on 9 April 2014.



The main purpose of the Proposal is to encourage and facilitate shareholders to take a longer term view of their investments. The Proposal does this by amending the existing Shareholders Rights Directive (2007/36/EC) to introduce new obligations on institutional investors, asset managers, certain companies, proxy advisors and investment intermediaries.

The Proposal also amends the Accounting Directive (2013/34/EU) to oblige certain companies to include a reference to their remuneration report in their corporate governance statement.

**(d) A Proposal for a Directive of the European Parliament and of the Council on single-member private limited liability companies was issued on 9 April 2014.**

A Directive on single-member private limited liability companies was adopted in 1989 and codified in 2009 (2009/102/EC). The current proposal is intended as a replacement for Directive 2009/102/EC.

The Proposal would have the effect of standardising requirements for the creation of companies with a single shareholder. It would serve to simplify the existing process of registering subsidiaries and make it easier for SMEs to operate across the EU. Member States would be obliged to provide in their national legislation for a company law form for single-member private limited liability companies with the same requirements across the EU. This company form would be designated as Societas Unius Personae (SUP).

Under the proposal, Member States would be obliged to allow for direct on-line registration of these SUPs, eliminating the need for these company founders to be physically present in the country of registration. The proposal would provide for an EU-wide identical template of articles of association, available in all EU languages which would have the necessary elements to run a single-member private limited liability company.

Council Working Party meetings commenced in May on both Proposals at (k) and (l) above and public consultations have issued with responses due in June.

- (e) **A Proposal for a Directive of the European Parliament and of the Council on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure** was issued on 28 November 2013.

Following consideration by Council Working Party in the first half of 2014, Council agreed the general approach on the basis of a Greek Presidency compromise at its meeting on 26 May 2014 and negotiations with the European Parliament will commence under the Italian Presidency with a view to reaching an agreement at first reading.

A trade secret is a key piece of information that companies, researchers and innovators keep secret in order to obtain or keep a competitive advantage and may be technical or commercial in nature. A technical trade secret e.g. a chemical compound or formula is more likely to result in a product that can be patented than a commercial trade secret e.g. the launch date of a product, customer lists, result of a marketing study etc. Once the technical trade secret is progressed to the stage that it can be patented and its disclosure via the patent application is in the public domain the trade secret holder becomes an intellectual property right holder with all the rights and legal protection that entails; whereas when the commercial trade secret holder launches his or her new product or releases the results of the market study, the information that is put into the public domain will not attract intellectual property rights. Thus not every trade secret will lead to an intellectual property that can be protected by a patent. Therefore rather than addressing limitations of the patent system, the proposal for the Directive provides a mechanism for civil redress in the event of the unlawful acquisition, use and disclosure of the trade secret either before the secret can avail of patent protection or where the secret cannot avail of such protection.

The proposal seeks to introduce a minimum harmonised level of civil redress across Member States. This civil redress mechanism crucially ensures the trade secret is protected during the course of litigation. It is essential that the trade secret holder is guaranteed that the secret will not be disclosed during proceedings thus strengthening

the likelihood that the holder will initiate proceedings to protect the trade secret. While the proposal will benefit SMEs it will extend to all sectors and will improve the smooth functioning of the Internal Market for research and innovative activities of all companies, researchers and innovators regardless of size within the EU.

**(f) A Proposal for a Directive of the European Parliament and of the Council to approximate the laws of the Member States relating to trade marks; and a Proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark.**

The objective in reviewing the Community Trade Marks Directive and Regulation is to make trade mark registration systems all over the EU more accessible and efficient for businesses in terms of lower costs and complexity, increased speed, greater predictability and legal security.

Specifically, the current initiative aims to modernise and improve the existing provisions of the Directive by amending outdated provisions, increasing legal certainty and clarifying trade mark rights in terms of their scope and limitations. The Directive also aims to achieve greater approximation of national trade mark laws and procedures with the aim of making them more consistent with the Community trade mark system. It is also proposed to put a legal basis in place for cooperation between the offices of the Member States and the Office for Harmonisation in the Internal Market (OHIM) for the purpose of promoting convergence of practices and the development of common tools.

The Competitiveness Council received a first progress report from the Lithuanian Presidency in December 2013. In May 2014, the Greek Presidency tabled new compromise proposals concerning both the Regulation and the Directive and discussions in Working Party are on-going as there remain a number of issues and positions which have yet to be finalised. The Italian Presidency has indicated that the aim is to agree on the Trade Mark package with a view to its rapid adoption.

(g) Proposal for a Decision of the European Parliament and of the Council on establishing a European Platform to enhance cooperation in the prevention and deterrence of undeclared work

On 9 April 2014, the Commission adopted a Proposal to establish a European Platform to enhance cooperation in the prevention and deterrence of undeclared work. The Platform would, for the first time, bring together all relevant national authorities who deal with undeclared work (in particular labour inspectors, social security and tax authorities etc.) as well as European level social partners, European Health and Safety at work Agency and Eurofund, and ILO as observers.

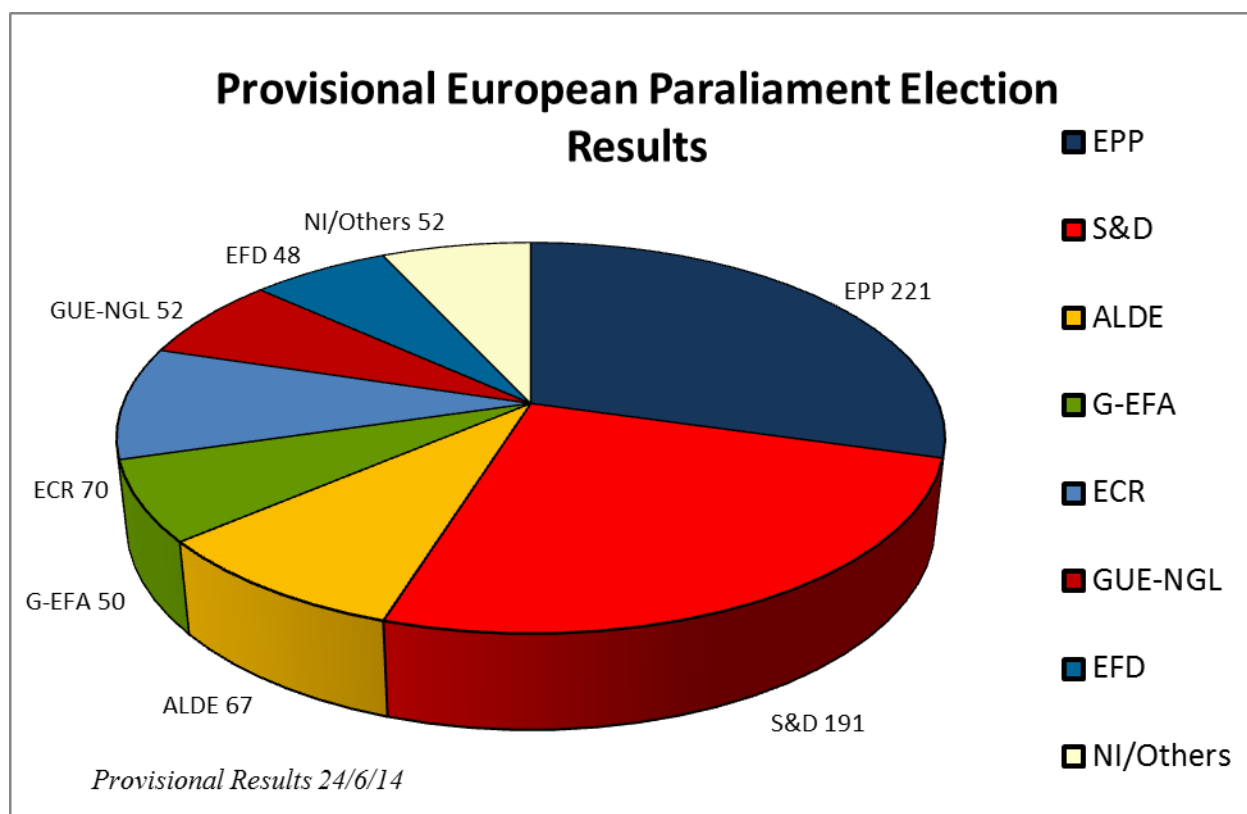
The proposed Platform would seek to improve cooperation by bringing together Member States' enforcement bodies — the labour inspectorates and social security, tax and migration authorities — with employers' representatives and trade unions, in order to share information and best practice and to identify any future steps in this area. It is proposed as a means of filling a gap arising from the absence of any formal mechanism at EU level for all relevant authorities from the Member States to address issues related to cross-border aspects of undeclared work.

**(g) A Proposal for a Regulation of the European Parliament and of the Council on personal protective equipment**

The proposal intends to replace Directive 89/686/EEC on personal protective equipment by a Regulation, in line with the Commission's simplification objectives. The proposal will widen the scope of the current PPE Directive by removing the exclusions of products for private use providing protection against heat, damp and water, analysis of the implementation and enforcement of the PPE Directive has shown that these exclusions were no longer justified.

## EU Institutional Developments in 2014

### European Parliament



	Provisional Results	%
<b>European People's Party (EPP)</b>	<b>221</b>	29.43
<b>Progressive Alliance of Socialists and Democrats (S&amp;D)</b>	<b>191</b>	25.43
<b>Alliance of Liberals and Democrats for Europe (ALDE)</b>	<b>67</b>	8.92
<b>The Greens – European Free Alliance (G-EFA)</b>	<b>50</b>	6.66
<b>European Conservatives and Reformists (ECR)</b>	<b>70</b>	9.32
<b>European United Left- Nordic Green Left (GUE- NGL)</b>	<b>52</b>	6.92
<b>Europe for Freedom and Democracy (EFD)</b>	<b>48</b>	6.39
<b>Non-attached members + Others (NI/Others)</b>	<b>52</b>	6.92
<b>Total</b>	<b>751</b>	100%

*Provisional Results 25/6/14*

The first Plenary of the European Parliament (EP) took place on the 1-3 July and its first action was to elect Martin Schulz as President of the European Parliament. The Parliament also elected 14 Vice-Presidents which includes Mairéad McGuinness EPP, Antonio Tajani (Italy) EPP, and Ollie Rehn (Finland) ALDE.

European Parliament Committee chairs, vice chairs and Committee members have now been elected. The table below sets out the Committees where Irish and Northern Irish MEPs are members:

	<b>Full Members</b>		<b>Substitute Members</b>
<b>AFCO</b>			<i>Martina Anderson (GUE/NGL)</i>
<b>AGRI</b>	Matt Carthy (SF) Luke Ming Flanagan (GUE/NGL) Jim Nicholson (ECR) Diane Dodds (NI) Mairéad McGuinness (EPP)		
<b>BUDG</b>	Liadh Ní Riada (GUE/NGL)		
<b>CONT</b>			Brian Hayes (EPP)
<b>CULT</b>			Liadh Ní Riada (GUE/NGL)
<b>DEVE</b>			Brian Hayes (EPP)
<b>ECON</b>	Brian Hayes (EPP)		Matt Carthy (GUE/NGL) Marian Harkin (ALDE)
<b>EMPL</b>	Marian Harkin (ALDE)		Lynn Boylan (GUE/NGL) Deirdre Clune (EPP)
<b>ENVI</b>	Lynn Boylan (GUE/NGL)		Luke Ming Flanagan (GUE/NGL) Mairéad McGuinness (EPP) Jim Nicholson (ECR)
<b>IMCO</b>	Brian Crowley (ECR)		
<b>INTA</b>			Seán Kelly (EPP)
<b>ITRE</b>	Seán Kelly (EPP)		Brian Crowley (ECR)
<b>JURI</b>			Brian Crowley (ECR)
<b>LIBE</b>	<i>Martina Anderson (GUE/NGL)</i>		
<b>PECH</b>	Liadh Ní Riada (GUE/NGL)		<i>Diane Dodds (NI)</i>
<b>PETI</b>			Marian Harkin (ALDE)
<b>REGI</b>			<i>Martina Anderson (GUE/NGL)</i>
<b>TRAN</b>	Deirdre Clune (EPP)		

At the second EP plenary (14-17 July) MEPs are expected to vote on the future President of the European Commission.

**Timeline for Institutional Development** -*This timeline sets out key dates around the institutional changes in 2014 after the European election.*

7 July	Constituent meetings of European Parliament's Committees
7-10 July	Meetings of the political groups to discuss the candidate for the Commission Presidency
10 July	Conference of Presidents
<b>14-17 July</b>	<b>European Parliament Plenary</b>
<b>16 July</b>	<b>Vote on Council's nomination of Commission President</b>
	Proposal and decision on numerical strength of interparliamentary delegations, delegations to joint interparliamentary committees and delegations to parliamentary cooperation
	Conference of Presidents is expected to sign-off on the content of questionnaires to send Commissioners-designate
22-24 July	Constituent meetings of Parliament's delegations
<b>August/early September</b>	<b>European Commission President-elect, with Member States, selects the European Commissioners-designate, including the High Representative and assigns portfolios</b>
<b>September</b>	<b>Individual hearings of Commissioners-designate in the European Parliament, including High Representative for Foreign Affairs and Security Policy</b>
<b>20-23 October</b>	<b>European Commission confirmed by the European Parliament</b>
<b>24 October – 31 October</b>	<b>European Council appoints new European Commission</b>
<b>October – November</b>	<b>European Council appoints new President of the European Council</b>
<b>1 November</b>	New European Commission expected to take office
<b>1 December</b>	New European Council President expected to take office

### ***Irish Engagement with the European Parliament***

In order to continue to advance Ireland's strategic priorities at European level, it is important that good working relationships are developed across Government with key stakeholders in the European Parliament, across political groups and committees.

Ministerial visits to Strasbourg plenary sessions are the most visible aspect of the whole-of-government approach and commitment to engaging with the European Parliament. These visits involve Ministers playing a representational role on behalf of the Government in order to communicate and advance Ireland's strategic priorities in the Parliament. Programmes for Ministerial visits will be built with this objective in mind and, while programmes will clearly contain elements within the particular Minister's own policy brief (i.e. meetings with EP Committee Chairs, rapporteurs etc.), it is important to be aware that individual Ministers will be also required to engage quite broadly, including on policy areas which are not within their remit.

The initial visits from September will also be aimed at creating a solid footprint of Ireland's engagement with the Parliament, at a time when new Committee chairpersons and other key institutional players are taking up their roles. Visits also routinely include a meeting with the Irish and Northern Ireland MEPs, usually over lunch. The following roster is being co-ordinated by Dept Taoiseach.

The following are the EP Committees of most relevance to the remit of the Department:

- IMCO - Internal Market and Consumer Protection- Chair: Vicky Forde ECR UK
- ITRE Committee - Industry, Research & Energy- Chair: Jerzy Buzek EPP PL
- INTA Committee - International Trade- Chair: Bernd Lange S&D DE
- EMPL Committee - Employment & Social Affairs- Chair Thomas Handal GUE DE
- JURI Committee – Legal Affairs – Chair: Viviane Reding EPP LU



### Appendix III – Offices & Agencies

#### OFFICES

***The Department includes 8 discrete Offices as party of its integral structure and a short description of each is set out below:***

**Labour Court** - The Labour Court provides a free, comprehensive service for the resolution of industrial relations disputes and deals also with matters arising under employment rights legislation (Employment Equality, Pensions, Organisation of Working Time, National Minimum Wage, Industrial Relations (Amendment), Protection of Employees (Part-Time Work), Protection of Employees (Fixed-Term Work) and Safety, Health and Welfare at Work Acts).

The main functions of the Court are:

- to investigate trade disputes and make recommendations for their settlement;
- to make determinations on appeals from Equality Officers in discrimination;
- to decide on appeals against recommendations of Rights Commissioners;
- to establish Joint Labour Committees and make employment regulation orders as submitted by such bodies; and
- to register and vary certain employment agreements.

The Labour Court is not a court of law. It operates as an industrial relations tribunal, hearing both sides in trade disputes and then issuing Recommendations setting out its opinion on the dispute and the terms on which it should be settled. While these Recommendations are not binding on the parties concerned, the parties are expected to give serious consideration to the Court's Recommendation. Ultimately, however, responsibility for the settlement of a dispute rests with the parties.

The Court's determinations under employment rights legislation are legally binding.

*Chairman: Kevin Duffy*

<b>Labour Court Gross Allocation as per REV and associated staffing numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	3.113m	2.284m	-.829m
<b>Authorised Numbers</b>	39.4	24.6*	-13.4

\*No's serving at Jan 14

**Employment Appeals Tribunal** - The purpose of the Tribunal is to determine matters in disputes arising from the legislation on redundancy and insolvency payments; minimum notice; terms of employment; maternity and adoptive leave; unfair dismissals; part-time employment; young persons employment; payment of wages; organisation of working time; parental leave and protections for persons reporting child abuse. *Chairman: Kate O'Mahony*

<b>EAT Gross Allocation as per REV and associated staff numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Outturn*</b>	3.594	3.500m	-0.94m
<b>Authorised Numbers</b>	30	29.9 (FTE's)	-0.1

\*No separate voted allocation so outturn provided for both Secretariat and Members

\*No's serving at end June 2014 - civil servants only

**Labour Relations Commission** - The function of the Labour Relations Commission is to promote the development and improvement of Irish industrial relations policies, procedures and practices through the provision of appropriate, timely and effective services to employers, trade unions and employees.

The Commission carries out this mission by providing the following specific services:

- an industrial relations conciliation service
- an industrial relations advisory, development and research service
- a Rights Commissioner service
- assistance to Joint Labour Committees and Joint Industrial Councils in the exercise of their functions

The Commission undertakes other activities of a developmental nature relating to the improvement of good industrial relations practices. A draft Code under the Whistleblowing Legislation is currently being drafted, in conjunction with the Social Partners.

*Chief Executive: Kieran Mulvey*

<b>LRC Gross Allocation as per REV and associated staffing numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	6.600m	4.391m	-2.209m
<b>Authorised Numbers</b>	47.6	42.9	-4.7

\*No's serving at Jan 14

**National Employment Rights Authority** - NERA was established on an interim basis in February 2007 to ensure employment rights for all workers. This will be achieved through the provision of information, the carrying out inspections, and enforcement and prosecutions when necessary. NERA has already been given the statutory basis to share information with Revenue and D/Social and Family Affairs, enabling the formation of Joint Investigative Units.

*Director: Kieran Mulvey*

<b>NERA Gross Allocation as per REV and associated staff numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	10.817m	5.743m	5.074m
<b>Authorised Numbers</b>	130.3	101.43 (FTE's)	28.87

\*No's serving at end June 2014

**The Equality Tribunal** – The Employment Equality Act 1998, which established the Equality Tribunal, provides a statutory framework whereby the Tribunal mediates and/or investigates claims of unlawful discrimination in accordance with the provisions of the Act. The Tribunal now has responsibility for mediating and investigating complaints of unlawful discrimination under the following legislation:

- Employment Equality Acts 1998 - 2011, in the employment sphere
- Equal Status Acts 2000 -2012, in access to goods and services
- Pensions Acts 1990-2008, in occupational pensions.

<b>Equality Tribunal Gross Allocation as per REV and associated staffing numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	2.94m	1.955m	-0.985m
<b>Authorised Numbers</b>	37	24	-13

**Office of the Director of Corporate Enforcement** - The mission of the Office of the Director of Corporate Enforcement (ODCE) is to improve the compliance environment for corporate activity in the Irish economy by encouraging adherence to the requirements of the Companies Acts and bringing to account those who disregard the law.

*Director: Ian Drennan*

<b>ODCE Gross Allocation as per REV and associated staffing numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	5.330m	4.672m	-658
<b>Authorised Numbers</b>	49.1	49.1	0

Nos serving at June 2014: 41.2 of which 6.5 are Gardai

**Patents Office** - The Patents Office was established under the Industrial and Commercial Property (Protection) Act 1927. It is an independent statutory office under the control of the Controller of Patents, Designs and Trade Marks. Since 1993, the Intellectual Property Unit of Department of Enterprise, Trade & Employment has had responsibility for certain legislative and policy matters relating to intellectual property. The Patents Office provides input in the drafting of certain legislation and in the formulation/implementation of policy in relation to the development of the system of intellectual property protection. *Controller: Gerard Barrett*

<b>Patents Office Gross Allocation as per REV and associated staff numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Outturn*</b>	3.456m	2.834m	0.622m
<b>Authorised Numbers</b>	60.1	50	10.1

**Companies Registration Office** - The CRO is the authority for the incorporation of new companies and registration of business names in the Republic of Ireland. The Office is also responsible for the receipt and registration of post incorporation documents, enforcement of the filing requirements of companies, and provision of information to the public. *Registrar: Helen Dixon*

**Office of the Registrar of Friendly Societies** - The Office of the Registrar of Friendly Societies is a statutory independent office responsible for the registration and general regulation of friendly societies, trade unions and industrial and provident societies (co-operatives). (This Office is de facto part of the CRO) *Registrar: Helen Dixon*

<b>CRO &amp; RFS Gross Allocation as per REV and associated staff numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
<b>Gross Current Allocation</b>	7.252m	7.065m	-187m
<b>Authorised Numbers</b>	99	96	-3

Nos serving at June 2014: 100.74

## AGENCIES

### **Non-Commercial State Sponsored Bodies under the Remit of DJEI**

#### **Health & Safety Authority**

The principal functions of the Health and Safety Authority are; to monitor and enforce compliance with occupational health and safety law, to provide information and expert advice to employers, employees and the self-employed, to promote workplace safety, health, welfare, education and training, to publish research on workplace hazards and risks and to propose new regulations and Codes of Practice to the Minister for Jobs, Enterprise and Innovation. The Authority is also responsible for the administration and enforcement of more broadly based chemicals legislation, including REACH, CLP and Seveso. *CEO: Martin O'Halloran*

<b>HSA Gross Allocation as per REV and associated numbers</b>			
	<b>2011 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	20,556	17,738	-2,818
Capital	-	-	-
<b>Total Gross Allocation</b>	<b>20,556</b>	<b>17,738</b>	<b>-2,818</b>
<b>Authorised Numbers</b>	<b>184</b>	<b>163*</b>	<b>-21</b>

**\*Note** – the HSA's 2014 ECF target of 163 WTE takes account of the transfer of the Irish National Accreditation Board (12 staff) from Forfás to the HSA which will follow the commencement of the Industrial Development (Forfás Dissolution Act) 2014 which is imminent.

#### **Science Foundation Ireland**

The Industrial Development (Science Foundation Ireland) Act 2003 established Science Foundation Ireland as a separate statutory agency as part of the Forfás group of industrial development agencies. The overall mission of SFI is to build and strengthen scientific engineering research and its infrastructure in the areas of greatest strategic value and benefit to Ireland's long-term competitiveness and development, i.e. research in Biotechnology (BioT) and Information and Communication Technology (ICT). Through strategic investments in the people, ideas and partnerships essential to outstanding research in strategic areas, SFI will help build in Ireland research of globally recognised excellence and nationally significant importance. *Director General (and Chief Scientific Adviser to the Government of Ireland): Professor Mark Ferguson*

<b>SFI Gross Allocation as per REV and associated numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	11,330	9,300	-2,030
Capital	172,313	153,540 <sup>9</sup>	-18,773
<b>Total Gross Allocation</b>	<b>183,643</b>	<b>162,840</b>	<b>-20,803</b>
<b>Authorised Numbers</b>	<b>54</b>	<b>49</b>	<b>-5</b>

### **Enterprise Ireland**

EI, which was established in July, 1998, has responsibility for helping to grow the sales, exports and employment of Irish companies. Enterprise Ireland brings together the key marketing, technology, enterprise development, business training and science and innovation initiatives through which the Government supports the growth of Irish industry. It combines the resources of the former Irish Trade Board, Forbairt and the in-company training division of FÁS. *CEO – Julie Sinnamon*

<b>EI Admin. and Support to Industry --- Subhead A7</b>			
<b>EI Gross Allocation as per REV and associated numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	109,631	69,9257	-39,706
Capital	52,200	54,593	2,393
<b>Total Gross Allocation</b>	<b>161,831</b>	<b>164,223</b>	<b>-37,313</b>
<b>Authorised Numbers</b>	<b>907</b>	<b>584</b>	<b>-323</b>

EP's current staffing complement is 627, down from 925 in 2008. The 2014 Employment Control Framework (ECF) target is 584 (as included above)

<b>EI - Research, Development and Innovation – Subhead B4</b>			
<b>EI Gross Allocation as per REV and associated numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
	€000	€000	€000
Current	188,799	80,873	-37,926
Capital	175,645	170,600 <sup>10</sup>	-5,045
<b>Total Gross Allocation</b>	<b>294,444</b>	<b>251,473</b>	<b>-42,971</b>
<b>Authorised Numbers TBC –</b>	<b>907</b>	<b>584</b>	<b>-323</b>

<sup>9</sup> Includes €9m capital carryover.

<sup>10</sup> Includes €11m capital carryover

## IDA Ireland

The objective of IDA Ireland is to contribute to Ireland's economic development. It does this by convincing new international manufacturing and internationally traded services companies to invest in Ireland. Equally it encourages the expansion of such companies already in Ireland. These are carried out in the context of fostering the national objective of regional industrial development. *CEO Barry O'Leary (Martin D. Shanahan from 1 September 2014)*

<b>Gross Allocation as per REV and associated numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	45,230	38,607	-6,623
Capital	98,520	92,000 <sup>11</sup>	-6,520
<b>Total Gross Allocation</b>	<b>143,750</b>	<b>130,607</b>	<b>-13,143</b>
<b>Authorised Numbers</b>	<b>282</b>	<b>254</b>	<b>-28</b>

## Local Employment Offices

The 31 Local Enterprise Offices (LEOs) were established and open for business on 15th April 2014 following the dissolution of the County and City Enterprise Boards (CEBs) on the same day. The reformed structure provides a service which amalgamates national enterprise policy and local business supports in order to strengthen the local business culture and environment. The LEO structure combines the expert knowledge of the former CEBs, the Business Development expertise of the Local Authorities, overseen by a dedicated National Centre of Excellence in Enterprise Ireland which will ensure that 'best-practice' will prevail across the LEO network.

The LEOs are about promoting entrepreneurship and self-help and are now the "first-stop-shop" for those beginning a new business as well as those wishing to expand their existing one. In accordance with the Service Level Agreement (SLA) between Enterprise Ireland and each Local Authority, the LEOs provide services under four headings:

- Business Information and Advisory Services;
- Enterprise Support Services;
- Entrepreneurship Support Services, and
- Local Enterprise Development Services.

<b>CEB Gross Allocation as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	10,893	€10,888	+5
Capital	15,000	€18,500	-3,500
<b>Total Gross Allocation</b>	<b>25,893</b>	<b>€29,388</b>	<b>-3,495</b>
<b>Authorised Numbers</b>	<b>104</b>	<b>122</b>	<b>+18</b>

<sup>11</sup> Includes €3m capital carryover, plus €3m for Shannon Development functions.

### National Standards Authority of Ireland

The National Standards Authority of Ireland is responsible for Standards Development, Certification and Legal Metrology Services. *CEO: Maurice Buckley*

<b>Gross Allocation as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	5,043	4,804	-239
Capital	500	500	-0
<b>Total Gross Allocation</b>	<b>5,543</b>	<b>5,304</b>	<b>-239</b>
<b>Authorised Numbers</b>	<b>137</b>	<b>134</b>	<b>-3</b>

### InterTradeIreland

Arising from the Good Friday Agreement, a trade and business development body was established under an agreement between the Irish and British Governments done in Dublin on the 8th March 1999. Legislative provision for its operation was made in the British - Irish Agreement Act 1999. InterTradeIreland exchanges information and co-ordinates work on supporting trade, business and related matters in a cross border context. *CEO: Thomas Hunter McGowan*

<b>ITI Gross Allocation as per REV and associated numbers</b>			
	<b>2008 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	2,968	2,002	-966
Capital	7,714	5,760	-1,954
<b>Total Gross Allocation</b>	<b>10,682</b>	<b>7,762</b>	<b>-2,920</b>
<b>Authorised Numbers</b>	<b>42</b>	<b>42</b>	<b>0</b>

### Personal Injuries Assessment Board

The Personal Injuries Assessment Board (PIAB) is an independent statutory Body which assesses the amount of compensation due to a person who has suffered a personal injury.

*CEO: Patricia Byron*

<b>PIAB Gross Allocation* as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	55	55	0
Capital	-	-	-
<b>Total Gross Allocation</b>	<b>55</b>	<b>55</b>	<b>0</b>
<b>Authorised Numbers</b>	<b>68.5</b>	<b>67</b>	<b>-1.5</b>

Nos serving at June 2014: 68



*\*Following initial Exchequer start up funding, PIAB has successfully operated as a self-funding State Agency for a number of years. It relies on income generated primarily from respondents to fund its day-to-day activities, and its services are thus delivered at no direct cost to the Exchequer. C13 subhead (current expenditure) was established in 2010 for the payment of PIAB pensions. PIAB superannuation remittances to the Department of Jobs, Enterprise and Innovation through appropriations in aid (remitted to the Department of Public Expenditure and Reform) were €1.25m in 2013.*

### **Competition Authority**

The Competition Authority is a statutory body with a specific role to enforce Irish competition law. *Chairman: Isolde Goggin*

<b>Comp Authority Gross Allocation as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	5,127	4,995	-132
Capital	-	-	-
<b>Total Gross Allocation</b>	<b>5,127</b>	<b>4,995</b>	<b>-132</b>
<b>Authorised Numbers</b>	<b>49</b>	<b>49</b>	<b>0</b>

Nos serving at June 2014: 46

### **National Consumer Agency**

The National Consumer Agency was established in 2007 and advocates on behalf of consumers. It also has a leading role in consumer information, research, education and awareness. The National Consumer Agency carries out the enforcement role previously done by the Office of the Director of Consumer Affairs and has extensive new powers to protect consumers from unscrupulous traders and from a wide range of unfair or misleading trade practices. *CEO: Karen O'Leary*

<b>NCA Gross Allocation as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	7,360	7,332	-28
Capital	-	-	-
<b>Total Gross Allocation</b>	<b>7,360</b>	<b>7,332</b>	<b>-28</b>
<b>Authorised Numbers</b>	<b>57.5 (incl. 20 levy post)</b>	<b>57</b>	<b>-0.5</b>

Nos serving at June 2014: 44.9

### **Irish Auditing & Accounting Supervisory Authority**

The Irish Auditing & Accounting Supervisory Authority (IAASA) was established pursuant to the provisions of Part 2 of the Companies (Auditing and Accounting Act, 2003, and has four principle objectives: (1) to supervise how the prescribed accountancy bodies regulate and monitor their members; (2) to promote adherence to high professional standards in the auditing and accountancy profession; (3) examination and enforcement of certain listed

entities periodic financial reporting and (4) to act as a specialist source of advice to the Minister on auditing and accounting matters. *CEO: Helen Hall*

<b>Gross Allocation as per REV and associated numbers</b>			
	<b>2013 REV</b>	<b>2014 REV</b>	<b>Difference</b>
Current	1,568	1,562	-6
Appropriations-in-Aid	507	376	-131
<b>Total Gross Allocation</b>	<b>1,061</b>	<b>1,186</b>	<b>125</b>
<b>Authorised Numbers</b>	<b>26</b>	<b>26</b>	<b>0</b>

Nos serving at June 2014: 13